

**THERE AND BACK AGAIN: ORGANIZATIONAL CHANGES IN
THE BULGARIAN CORE EXECUTIVE
(1990-2002)**

Dimiter D. Toshkov

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Supervisor: Prof. Bernard Steunenberg
Second Reader: Prof. Antoaneta Dimitrova

LEIDEN UNIVERSITY

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TABLE OF CONTENTS

Chapter 1. Introduction	p. 4
Chapter 2. Literature Review, Theory and Methods	p. 8
Literature Review	p. 8
<i>Investigating central executives in Central and Eastern Europe</i>	p. 9
<i>Administrative reform</i>	p. 10
<i>Cabinet studies</i>	p. 12
<i>Conclusions</i>	p.14
Theoretical Framework	p.15
<i>Institutional change in light of the new institutionalisms</i>	p.15
<i>The theoretical model</i>	p.20
Research Methodology	p.24
<i>Operationalization of the dependent variable</i>	p.24
<i>Presenting the data</i>	p.26
Chapter 3. Persistence and Change in the Core Executive	p.28
The Council of Ministers: At the Heart of the Executive Machine	p.30
The Rise of Interdepartmental Councils	p.35
Ministries: Reshuffling the Building Blocks	p.37
State Agencies and State Committees	p.41
Executive Agencies	p.43
Conclusions	p.44
Chapter 4. Causes of Organizational Change: Explaining the Institutional Dynamism	p.47
Why Politicians Want to Change Public Organizations?	p.48
The Political Causes of Organizational Changes in Bulgaria	p.49
The Impact of Institutional Factors: Do They Matter At all?	p.51
Interest Groups and Bureaucrats	p.54
Changing the Rules about the Rules: Explaining Higher Order Changes	p.58
Chapter 5. Conclusions	p.59
Appendixes	p.62
Bibliography	p.69

LIST OF TABLES AND FIGURES

Table 1 Articles on East and Central Europe in Selected Journals	p.62
Table 2 The Trust Game	p.63
Table 3 The Impact of Bureaucrats and Interest Groups	p.64
Table 4 Organizational Changes of the Interdepartmental Councils	p.64
Table 5 Organizational Changes Before and After 1999	p.65
Table 6 The Interplay of Actors	p.65
Figure 1 The Organizational Development of the Bulgarian Council of Ministers 1990-2002	p.66
Figure 2 Ministries in the Bulgarian Core Executive 1990-2002	p.67

CHAPTER 1

INTRODUCTION

This thesis is a study of the organizational development of the central government in Bulgaria for a period of 12 years. The impetus for the research came a few years ago when the Bulgarian prime-minister announced, in the midst of heated discussions about reforming the cabinet, that the Ministry of Culture is to be abolished as it does not have a counterpart in none of the European countries. Notwithstanding that the “comparative” data can be easily discredited, and that the ministry, in fact, survived, the statement posed intriguing questions. It grasps a lot of the themes that gave rise to the present text. Why are certain institutions abolished? What is the proper rhetoric justifying a change in the ministerial configuration? Does the publicly expressed motivation matter at all, or only hides interests? How similar are the government structures across the European cabinet systems?

These problems focused towards the general question what explains institutional persistency and change. The thesis is an argument that the recent transformation of the Bulgarian central administration is a good match for the theory. Its aim is to *explore and explain the patterns of development of the core executive in Bulgaria for the period 1990-2002*. The research question posed is: What are the driving forces behind the organizational changes in the system of central government? It demands an explanatory argument; however much of the text is dealing with thick description. The reason is that there is no available collected data on the process. In addition, the comprehensive data collection will give rich material for alternative interpretations.

The issues analyzed in the thesis are of significant practical and academic importance. The core executive remains the central hub of public decision-making. Its efficiency conditions the entire running of the government. Despite the rise of power of regional and local authorities in the last years, the central government institutions are still the most important symbolically and practically. In turn, the organizational set-up may affect the implementation of policies, the drafting of norms, and the strategic behavior of governments. Yet, surprisingly little argumentation is provided by the politicians advocating organizational restructuring. And little information is in help when decision-makers try to design and implement reforms.

The shortcomings are reproduced in the academic field. There is little interest in issues like the ministerial configuration. There is too little variance on the surface and too many particularities in the details as to attract a lot of comparative studies. The available national studies are too specific to enhance analytical abstraction and institutionalist explanations (some of the exceptions are discussed in the literature review section). Besides, the last decade has been a period of considerable shift of the attention of public administration scholars towards investigation of sub-national levels of government, the process of Europeanization, and the whole spectrum of innovations from the new public management agenda.

Still, there are puzzles to be explained. The available record on changes of the machinery of governments shows a significant dynamism going contrary to the usual expectations for institutional stability. Moreover, the changes seem random and contradictory. A complex system like the core executive has been rarely a setting for institutionalist analyses, as they tend to focus on particular organizations, a policy, or a set of rules. Finally, it is an open debate to what extent the core executive is insulated from political control.

The Bulgarian case presented here is relevant for the broader academic disputes. The fall of the communist regime, the starting point of the research, opens an opportunity for turbulent institutional changes. At least there is a lot of foam on the surface. But the point is that such massive openings are rare and their analyses may contribute to the study of institutional change. We see the making within years of institutions that took centuries to evolve in other countries. Development paths locked for a long times are reopened. The findings of the research are not intended to be broadly generalized. Still, they provide an example of the development of governmental machinery in the conditions of anomy and a transforming state.

The study is institutionalist in a double sense. First, at the centre of the research question lays the problem how are institutions created and developed. On the other hand, the explanatory part looks for the impact of institutions on these phenomena. The research objectives are:

- to construct a model, derived from new institutionalism insights, that provides a plausible explanation of the organizational changes (and stability);
- to collect comprehensive data on the organizational changes in the system of central government in Bulgaria (1990-2002);

- to present conclusions about the overall direction and course of the development of central government in Bulgaria for the last decade.

Based on institutionalist arguments, the developed theoretical framework assumes that the politicians in power are the starting point. A game theoretical model shows that in an institutional vacuum politicians' dominant strategy is to break institutional arrangements, unless repeated rounds of the game and long-term perspective are introduced. So, for the case when politicians do not have a lasting interest in the game, the constraints might come from institutions. Legislative procedures matter as they produce different veto points and capacity for change the theory says. Next, the politicians are not the only players in some situations, but have to share their control with powerful interest groups and civil servants. It is shown that the resulting interaction yields different results. The theoretical scheme does not allow much room for the inclusion of soft or hard external pressures as variables. Factors like the influence of the European Union (EU) are assumed not to have an autonomous and direct impact. Rather, the responses to the pressures are selective and the effects are distilled through the national institutions and calculated in the strategies of the politicians.

The empirical data generally supports the model. The changes in political leadership are found to be the major explanatory variable that accounts for the dynamism of the core executive in Bulgaria. Having a clear incentive to restructure organizations (the change creates opportunities the staffing of the organization to be taken under control) the politicians change the rules all the time. The formality and toughness of the legislative procedures in order to implement the changes do not seem to matter. Interest groups and civil servants, however, do. The core executive emerges from the analysis as a rather interrelated system. Changes in one part are often echoed in distant domains and the pooling of small changes amount to second-order reforms of the rules about the rules.

The next chapters follow the argument, as summarized here. First, the relevant literature is discussed and evaluated. After that the theoretical model is presented, followed by the adopted research methodology. Chapter 3 contains the descriptive part and traces the organizational development for the last 12 years of the Council of Ministers, the inter-departmental councils, the ministries, state commission, state and executive agencies. Individual changes as well as the state of the executive as a system are kept in check. On the basis of the empirical data outlined, Chapter 4

applies the theoretical model and tests the derived hypotheses. A discussion of the implications of the research results and some evaluative remarks are contained the concluding part.

A few disclaimers must be spoken out. The study *assumes* that the organizational set-up of the central government matter. It is not the aim of the study to support or disqualify theses about the impact of institutions on government performance. The research investigates formal aspects of the central government organizations. It does not argue to what extent these changes affect “really” an organization. The formal aspects are the only indicators for change that can be traced with the selected methodology. Still, it is assumed that they mark at least partially (the) significant changes. Finally, the thesis is based on a case study and tries to remain close to the facts without preventing theoretical abstraction. “Historical-explanatory” studies balance between too specific and too general explanations and the present thesis will try to fit in the type.

CHAPTER 2

LITERATURE REVIEW, THEORY AND METHODS

Literature Review

The question which forces guide and frame the development of the core executive in Bulgaria in the period 1990-2000 has not been addressed in the academic literature so far¹. However, the research may build upon insights from diverse strands of social science literature, as the topic of the investigation touches upon several themes that have received rigorous scholar attention.

The research can be placed in several contexts. First of all, its focus falls within the domain of *cabinet studies*. From another point of view, it's part of the ongoing discussion about the *administrative reform in Central and Eastern Europe*, and, as such, it touches the problem of *administrative transformation* in general. The growing number of books and articles on the *Europeanization* of national administrations provides insights and concept to capture the influence of the European Union on the reform process in Bulgaria. At a higher level of abstraction, the thesis investigates patterns of institutional persistence and change, hence, it benefits, in one way or another, from the infinite body of literature inspired by the *new institutionalism* agenda. As the research variables are defined mainly in organizational terms the tradition of *organizational analysis* contributes to the understanding of organizational dynamics.

It is the purpose of this chapter to review in some detail the works that are most directly related to the topic of the research, as well as to critically assess some of them, specifying the contributions and shortcomings of the selected texts.

The literatures reviewed provide different and complementary perspectives that enhance the analysis, both in substantive and methodological terms. They focus attention on the main elements within the system of central government; identify potential forces that shape the development of the executive; put forward a framework for assessment of the overall path of transformation.

¹ In Bulgarian language there exist a number of studies that are relevant for the current topic. However, they are difficult to classify together with the English-language literature, because they are either administrative law or historical studies. From a political science/public administration perspective, the development of the Bulgarian executive in organizational terms has not been studied, as far as I know. The relevant pieces are included in the bibliography.

Investigating central executives in Central and Eastern Europe.

Before proceeding to discussion of the field of cabinet studies I will review the work of Goetz and Wollmann (2001), which comes closest in terms of object of study and the approach adopted. The work is a result of a project that gave rise also to other publications that are relevant to the current research (Goetz 2001; Zubek 2001; Brusis and Dimitrov 2001). Goetz and Wollmann include Bulgaria in their comparative study of central executives in Central and Eastern Europe. The authors focus on the overall development of the executive taken as a whole. They analyze the process of institutionalization of the central government configurations vis-à-vis the legislatures and the presidential institutions. Identifying the constraints inherited from the communist systems they proceed to trace the development of executives, and arrive at conclusions about the progress the process has reached. The minor technical errors present in the analysis of Bulgarian case do not put a shadow on the conclusions.

The main difference between this study and the present research is in the level of analysis. The scholar lens employed by Goetz and Wollmann are directed at the central administration in general whereas I look at the changes within the system. Moreover, in this piece they do not specifically discuss the major impetuses of reform and the interplay between the factors that resulted in the development path in Bulgaria. Still, in an earlier study of Goetz (Goetz and Philip 2000), more explicit consideration of the theoretical base of the research project is given. Special attention is paid to the role of ideas and the conditions under which ideas, and change agents, may exercise impact on the reform templates.

Brusis and Dimitrov (2001) explore the figure of finance minister in Bulgaria and the co-ordination issues it involves in another article, result of the same project. From this piece one could derive the great importance the authors attribute to economical shocks and international organizations for the reform. The shortcoming, in view of the current research, is the lack of discussion about the context in which exogenous factors may exercise impact and the mechanisms through which these pressures are transferred in decisions about institutional change.

As a whole, the works cited are the first efforts, known to me, that investigate the development of the central executive in Bulgaria in the last decade from a political science perspective, and as such, they lay foundations for further research, suggesting a particular approach and analytical terms to capture the overall nature of the reform.

Administrative reform

The studies just discussed are not, of course, the first efforts to analyze the process of administrative transformation in Central and Eastern Europe since the 1990-s; their uniqueness is in the specific interest in the executive branch². Table 1 lists some of the articles on post-communist public administration in three of the major journals in the field.

The studies that address different issues within this topic include Verheijen (1995), Verheijen and Coombes (1998), and Hesse (1993). The civil service system, corruption problems and the broader process of building democratic institutions in Bulgaria are studied. The contribution of these to the present research is hindered mainly by three factors – they are too general; most of them refer to the period before the implementation of the large part of the administrative reforms in the country; and they are mainly descriptive. While accurate description of the phenomena studied, is, of course, needed, I will try to offer a more analytical approach.

Comparative analyses of the reform experiences from Eastern and Western Europe have also been done, but the chapters on Bulgaria do little more than register the turbulent nature of the transformation (Hesse 1993, Verheijen and Coombes 1998). Still, these works have identified important aspects of the administrative reform from the last 12 years in Central and Eastern Europe that have to be taken into account when applying the theoretical schemes used in different contexts – the coupling of state and party bureaucracy under the communist regime, the weak position of the executive branch in the beginning of the period, the influence of the political parties (and their ideologies) on the reform progress.

In regard to my main research question, analyses of reform initiatives in different settings (USA, UK, the Scandinavian countries, Latin America) are even more helpful, as they propose general explanations about the reasons for reform, the probabilities of success and the role of political rhetoric in administrative reform proposals.

March and Olsen (1989) suggest that administrative reform follows a cyclical move between integrative and aggregative reforms. They explore how the different institutional settings affect the fate and contents of reform and point out that the

² The study of central executives receives growing attention from scholars of administrative reform in Central and Eastern Europe. At the NISPAcee 11th Annual Conference (2003) a few papers dealing with post-communist executives have been presented. (<http://www.nispa.sk>)

specific institutional arrangements have a large impact. Peters (2001) directs attention towards the interplay of administrative, political and organizational factors giving rise to reform proposals.

But only a few of the studies of administrative reform deal with organizational changes (changes in the machinery of government) in particular, and in a wider historical perspective. An international team of scholars (Davis *et al.* 1999) have produced a comparative analysis of the development of government machinery in the UK, Canada and Australia. They pose the question why governments change their organizational status quo and arrive at a conclusion that the main actor in the process is the prime minister (PM). They argue that PMs are constantly thinking across the three key tasks of government (politics, policy, administration), and make trade-offs in pursuit of their overall objective. Hence, organizational changes are result of stimuli coming from the political environment, as well as from the organizational logic. While these findings are important, the analysis rests too much on the personal characteristics of the prime ministers and their discretion. I will argue that there are structural and institutional factors at play that limit the power of PMs to redesign the government every time they feel a change would be beneficial for their political strategies.

Trying to explain institutional changes in the Danish central government over a long period of time Christensen (1997) focuses on the role of the bureaucrats and the conditions under which they support or hinder reforms. In the analysis bureaucrats are the main actors, although some attention is paid also to the impact of ideology, or shared ideas. Christensen arrives at the conclusion that civil servants will create a bias towards preservation of the current institutional setting and the politicians will be able to implement reform only if the strategic interests of bureaucrats coincide with the proposed changes. What is lacking from the analysis is the presence of other influential actors – politicians, legislators, and political parties. As a whole, trying to include ideas, institutions and actors in the explanation this study provides further insights on the complicated nature of government reform.

In an investigation of the organizational changes in the central government in Norway Roness (2001) emphasizes the interdependence between reforms of the parliamentary and executive institutions. The conclusion that parliaments may affect the structural features and reassignments in central government by designing the structural framework within which administrative reforms are formulated and

practiced, by engaging in reform activities or by forming their own structural features, is important and adds another perspective explaining machinery of government change.

From the pieces reviewed so far it is obvious that there is no single model and that scholars differ in the relative importance they attach to various factors. Prime ministers, parliaments, bureaucrats all have influence on the reforms, but the problem is that there is not an analysis that combines these different factors in a coherent picture. The texts suggest directions for research but are less helpful in providing a single analytical framework capable of grasping the impact of the various actors.

Apart from the contexts of the UK, Norway, Denmark, Australia and Canada, the machinery of government reform in historical perspective is analyzed in the rather different settings of very small states (Wettenhall 2001). Investigating the birth and reform of the executive branch in a number of small states in the Pacific and other areas in the world Wettenhall gives an unusual, but highly suggestive point of view to the field.

I will now turn to the field of cabinet studies and will review two main traditions of research within this field in an effort to filter the ideas that may enhance the current research.

Cabinet studies

The revival of (British) cabinet studies in the last years can be attributed to the new research agenda proposed by R.A.W. Rhodes (Rhodes and Dunleavy 1995) and the subsequent large-scale research project Whitehall³. Rhodes advances the thesis of ‘hollowing out of the state’ and introduces the term ‘core executive’, as different from ‘cabinet’ and ‘executive’. Challenging the well-established assumption that studies on central-level decision-making should focus solely on prime ministers, cabinets and the relative power distribution between two key actors., the authors implies that the traditional approaches fail to provide account on important changes in the British executive. The hypothesized change is towards fragmentation, increased influence of policy networks (actors like the EU and sub-national authorities). Rhodes anticipates change of the roles of the PM and the ministers. The ‘hollowing out of the state’ is the

³ For more information see <http://www.nuff.ox.ac.uk/politics/whitehall>

general reference to this hypothesized development. It's operationalized in several distinct changes:

- privatization and limiting the scope and forms of public intervention;
- the loss of functions to agencies and the EU;
- limiting the discretion of civil servants .

Still within this school of cabinet studies, in regards to the reasons for change and persistence of the institutional setting of the core executive details could be found in the documentation about the Whitehall project. The reasons for changes identified are numerous and include addressing efficiency, giving weight to a given policy, creating an impression of dynamism, administrative savings, etc.⁴ Moreover, discussion of the agents and methods of reforms is provided. All these contributions (as well as the typology of government organizations and functions developed) are greatly beneficial to my research. However, the propositions must be calibrated to the case of Bulgaria.

A second strand of literature in the domain of cabinet studies evolves around Jean Blondel. In a series of books and articles (Blondel and Muller-Rommel 1997 and 2001) an extensive account on various parts of cabinet systems (the role of prime ministers, relations between the ministers and top civil servants, private ministerial offices, the figure of departmental minister, etc.) is done. Comparative studies covering both Eastern and Western cabinets describe in detail the variations and particularities in institutionalizing cabinet government. However, most of the work is primarily descriptive. Although, as a final objective we find the question 'what the range of variations is and what is the *raison d'etre* – and perhaps the value of these variations' (Blondel and Muller-Rommel 1997) the research, powered by this strand of cabinet studies still doesn't offer explanations of the organizational dynamics inside the cabinets.

The main contribution may be found in improving the terminological tools for describing accurately cabinet systems. Blondel and Muller- Rommel also draw attention on some important developments in European cabinet systems - the changing role of ministers, the rising influence of PMs and the role of private cabinets, among others. These developments must be checked against the empirical information in the case of Bulgaria.

⁴ Source: <http://www.nuff.ox.ac.uk/politics/whitehall/>

Conclusions

In this text I tried to review and critically assess some of the academic literature that is most relevant to the present research in terms of topic, geographical scope, approach and methodology. Of course, such a bird's eye view over rich and lively academic domains doesn't pay tribute to the complexity and subtlety of arguments of most of the books and articles reviewed. This over-simplification would be justified if it points out a few conclusions.

First, there are no systematic investigations of the organizational restructuring of the Bulgarian central administration for the last 12 years. The works of Goetz and Wollmann, and Brusis and Dimitrov are significant but their focus is slightly different than my approach. They explain the macro development of the executive branch and the micro-changes of one department. My aim is to link these levels. A more comprehensive approach has to offer interpretations of the links between the changes of individual organizations and the transformation of the whole system of central executive governance.

The Bulgarian cabinet system is not properly described so far, in view of the theoretical developments in the field. What is more, the forces influencing the reforming of the central administration are difficult to identify, not only in the Bulgarian case. The reviewed literature shows that the explanations of machinery of government changes list a significant number of factors, ranging from the personal character of the prime minister to pressure from the environment.

The administrative reform literature also suggests a number of potential explanatory factors, but they are sometimes contradictory and not integrated into a coherent model. Apparently, times of administrative reform offer huge opportunities for organizational changes. However, the dynamics behind the changes is unclear. More importantly, the unique experience of the administrative transformation in Central and Eastern Europe after the fall of communism has to be integrated into the broader knowledge about public administration.

All these lapses of the reviewed literature pose important theoretical challenges and are subject of controversy in political science. The problems of institutional birth, stability and change are not restricted to the domains of cabinet studies or administrative reform. An increased attention to institutions has marked the social sciences as a whole after the behavioral turn. Still, the debates touch the foundations of our knowledge about institutions. The basic questions like what

institutions are, how they are formed, how they change and decay have not received definite answers and several strands of institutional approaches can be distinguished.

In the next section I will turn to a more detailed discussion of the institutionalist literature. The propositions of the new institutionalism in regard to institutional changes are examined and a simple theoretical model is derived. On that basis several hypotheses are identified.

Theoretical Framework

Institutional change in light of the new institutionalisms

It is not the purpose of this text to assess the new institutionalism⁵ and engage in the theoretical debates between the various branches. I will focus on a few works and themes that are specifically relevant for the research.

First of all, it makes an important difference for the current research what kind of definition of institutions is accepted. The problem of distinguishing organizations from institutions is quite tricky. We could equate the two but then the concept of institutions becomes stretched and blurred. If organizations are simply sets of rules, the concept of organization becomes too thin.

A popular response to this issue is the definition of institutions, following Selznick (1980), as organizations infused with value beyond the technical tasks they fulfill. While such an approach seems convenient at first sight, its power diminishes when one has to apply it in practice. When exactly one organization becomes an institution is quite difficult to point out because there are no clear benchmarks how much value is infused in any particular organization. There is room for ambiguity and various interpretations.

The difficulties in drawing a clear line between these two concepts become clear when trying to specify the nature of the core executive. Is the central executive an institution? It is apparently more than an organization, as it comprises a large number of various organizations. Still, all these organizations are limited in their autonomy and are interlinked through a network of dependencies. Although comprised of various organizations, procedural rules, and unwritten norms the central administration system possesses significant integrity and high degree of

⁵ The classification of the various strands of institutional approaches itself is a question of ambiguity. For quite different attempts see Peters (1999) And Rhodes (1995).

interrelatedness of its composing parts. In these terms, it is as much an institution as the party system, or channels for labor representation – popular institutional factors evoked in institutionalist studies (Immergut 1992).

A further complication arises from the fact that sometimes the institutions are personified (e.g. the figure of a minister without portfolio), in other cases the personal level is coupled with organization (e.g. a ministry), and sometimes the organizational level is without personified leadership (e.g. state commission). The highly differentiated nature makes it difficult to analyze and investigate the core executive system as a whole, and to speak of it as an ‘institution’. Still, I argue that this system possesses a significant degree of integrity and is a legitimate object of research. It is a highly complex system, or ecology of organizations, with links stronger than the ones found in ‘policy networks’. Although it does not have strict boundaries and uniformity, it is an institution in the sense that it enacts the rules, norms, and shared understandings governing the exercise of public power at the central level. So, the core executive is more than the organizations that are part of it; it comprises the (structural) relations between these organizations, and their interface with the rest of the political and societal systems.

The problems with the definition of institutions are directly translated into the research design. Although in the text the terms organization and institution are used interchangeably, an institution is accepted as a broader concept and organizations as specific class of institutions. No claims are made to measure the institutionalization of the various organizations. Still, more attention is paid to the organizations central for the system, as the council of ministers and the ministries. As a composed institution, the central executive is expected to change as a result of the individual organizational changes at a micro-level. However, its institutional development may not be necessarily consistent with the nature of every small-level change. Rather, the interplay of developments in the different parts of the system is what frames the overall transformation of the core executive.

The problem of institutional change is not less controversial than the definitional issue. At this point the discrepancies between the institutionalist strands are well pronounced and, in general, a coherent and widely accepted theory of institutional persistence and change is missing (Peters 1999). By definition institutions are supposed to be stable and the difficulty of analyzing the dynamics goes to the very hearts of the various institutionalisms.

The simplest theory of institutional persistence and change is based on functional arguments. It states that as the scope of government activities increases, new organizations emerge; as some functions are dropped out of the public domain, the organizations managing these functions are abolished. Notwithstanding the dubious explanatory power of this approach, the research should look for the emergence of new domains to be managed and how these demands are translated into decisions on organizational design. For example, it is easy to conclude that it is impossible to have a body regulating Internet access before the penetration of Internet in the country. Such major developments are relatively easy to spot. However, the problem is how the government selects which new areas of social activity are to be included in the tasks of the public administration, and, even more importantly, how these decisions lead to the emergence of particular organizational forms, considered appropriate for the activities.

Rational choice institutionalism shares some part of the functional arguments but starts from the actors. The dominant question in rational-choice based institutionalism is related to the outcomes of different institutional rules, not the generation of the rules itself. Generally, the institutions are accepted as exogenous independent variables (Laver and Shepsle 1994; Lafont and Martimort 1998). Most evidently, changes in actor constellations will produce change. The new actors have different incentives, strategies available and preferences. Hence, the results from the interplay will be different, and these new outcomes will be institutionalized. As usually preferences are assumed to be stable, the only way for change left is change of the actors.

Distinguishing between constitutional and second order rules, more vulnerable to change, is a further insight coming from rational choice. Shepsle (1989) distinguishes robust institutions that survive when operational rules are adapted in relation to a set of collective choice and constitutional choice rules.

Rational choice based institutional theories, like the functionalist view, tend to be evolutionary and often explain institutional change with selection of more efficient rules. The survival of apparently inefficient institutions over long periods of time and the existence of various institutional solutions in similar situations undermine this assumption. Douglass North (1990) has successfully tackled the problem. Interpreting in rational choice (mainly economic) terms the concept of path-dependency he explains the different development paths of the economies of the United States and

Latin America. His approach, however, is based on the assumption that preferences and behavior patterns change. Although the theory is based on the transaction-costs analysis, it is more receptive to concepts, like policy learning and path dependency, coming from others schools of social science.

As a whole, rational choice based theories of institutional change have to introduce some premises about social structure from outside (Ward 1995). In the same line, institutional change is produced from external pressure in much of the historical institutionalism (HI) studies.

Generally HI analyses start with the preferences of individuals and then place them in institutional context (Thelen 1999). It links the different levels – individual agents, institutions, and systems, and is capable to account for the temporal dimension of reforms. But in general HI emphasizes and focuses on institutional persistence rather than on change.

One of the central concepts of the historical institutionalism – path-dependency, as defined and operationalized by Pierson (2000), may provide an explanation for some of the puzzles of institutional transformation – the difficulty to change existing organizations, the discrepancy between rhetoric and actions, the stability in some parts of the system and the great dynamics in other. Pierson argues that historical institutionalism is particularly well equipped for the analysis of political institutions and, even more, complex political institutions. In its simplest form the thesis is that increasing returns will reinforce certain decisions at the expense of other opportunities that may be more effective in the long run. Development paths are locked because of early institutional choices. Every organization bears the stamp of its time of establishment. Despite its popularity, path-dependency answers to questions of institutional development are not undisputed (Beyer and Wielgohs 2001).

Another important contribution of the historical institutionalism literature is the focus on the impact of particular events, ‘critical junctures’ (Thelen 1999) as triggers for reform. Still, the concept is not very precise and does not provide a benchmark what exactly constitutes a critical juncture.

Cortel and Peterson (1999) employ the term ‘windows of opportunities’ to refer to larger periods of time that enable institutional changes. In both cases the events are regarded not as the explanations itself, but rather as conditioning the applicability of reforms. Thus, they do not exclude the politicians, civil servants, and state officials from the analysis. For example Cortel and Peterson conclude that three

factors – triggers, change-oriented preferences and institutional capacity – must be present for institutional change to occur in a democratic state. Linder and Rittberger (2001) show also how a historical institutionalism inspired analysis may include actors' preferences constellations and exogenous events in the analytical framework.

Historical institutionalism explanations rely heavily on exogenous influences. The change comes from outside and the institutions respond. Broad historical processes, slow changes in policy paradigms, and international pressures are the main causes for institutional dynamics according to this school (Thelen 1999).

The strand of sociological institutionalism identifies three source of change through the three types of organizational isomorphism (coercive, mimetic and normative). The three types have different mechanisms of action and strength of external influence. (DiMaggio and Powell 1991). As it is rooted in organizational studies sociological institutionalism employs very detailed descriptions of the phenomena and follows closely the empirical data. The works of March and Olsen (1976, 1989), classified under the label of normative institutionalism (Peters 1999) emphasize the logic of appropriateness as underlying the nature of institutions and changes in the assumed appropriateness produce and guide institutional change. In short, the various institutionalist theories suggest some mechanisms of institutional change, but in the most cases the impetus for change comes from external variables.

The major differences may be found in the focus, the forces of reform and the level of analysis. Subsequently, different expectations stem. Actor-based explanations, common for rational choice institutionalism, see change in the participants of the game as the primary source of change. Structure-based models draw attention to the fact that individual action is embedded in social structures and expect institutional resistance against any impetus for change. The rational choice and sociological strands see a particular set of rules or a single organization as an object of analysis, while HI investigates commonly the transformation of policy sectors. With the change of level of analysis, the predictions about the rate and nature of reform alter. What seems a fundamental reform from the perspective of the affected actor may appear marginal change from a systems perspective (Knill and Lenschow 2000). In most of the versions, however, change is exogenous, difficult to implement, and rare. It is generally assumed that political arrangements are unusually hard to change (Pierson 2000).

Knill and Lenschow argue (2000) that changing the level of analysis should be followed by adoption of different strand of institutional theories, keeping the actor-based approaches for the micro-level, and structure-based accounts for the macro level. Other attempts to bridge the gap between the approaches include the paper of Linder and Rittberger (2001) where through the use of the concept of legitimacy it becomes possible to integrate some of the propositions of the diverse institutionalist literature. But combining parts of divergent theories runs the risk of introducing inconsistency in the theoretical framework and adopting contradictory assumptions. Having this in mind in the following pages I will present shortly an analytical model of institutional change in public administration based on insights from the literature discussed. The elaboration of the model will allow concrete hypotheses to be presented and checked against the empirical information.

The theoretical model

I start with the assumption that individuals are rational and act to maximize their utility. But the bounded rationality (Simon 1948) and information costs rarely allow the interactions between the actors to take place in perfect information settings. So, institutions are re-occurring patterns of behavior, established because it is unfeasible every time individuals to properly calculate their expected utility from each interaction. Once established institutions become taken for granted (become institutionalized), although later in time they may not be an optimal solution. The process of institutionalization is primarily a process of standardization, thus reducing uncertainty. Still, the agents have the power to reshape the rules and may do so if the legitimacy of the institution is low, or if it no longer fits into the logic of appropriateness.

In the case of administrative reform, the political leadership of the administration is the main actor. The actors entrusted with political authority over institutional changes are the major independent variable. According to this proposition a change in the organizational structure of government should follow change of political leadership. By political leadership I mean not only a change of government, but also changes of the political heads of departments, changes of ministers within the same government. The new ministers have different preferences, different strategies, and different information available. So, they re-shape the institutions, in this case the organizational structure of the central executive organizations, to maximize their

utility. The institution adapts to the changes in the actors. Changes within the system of central government reflect changing power balances. If the preference of the politicians in charge is a different organizational set-up or procedure rules, they will change the old rules. The preference for change, however, can not be assumed by default. There must be clear incentives for the politicians to conduct a reform. Then we have the first hypotheses.

Hypothesis 1: Changes in the core executive structure follow changes in political leadership, if the politicians in charge prefer a different set-up.

Up to now, only one group of actors has been introduced, it acts in an institutional vacuum, and only one round of the process takes place. If institutions are standardized patterns of behavior and social interaction, then by establishing institutions the politicians make commitments to the public that certain ways of doing things will happen with much greater probability. Then, if we introduce repeated rounds of interaction between successive generations of political leadership, we may conclude that by making institutional commitments politicians make promises that certain rules should be respected over along period of time. For example by increasing the organizational autonomy of one department, the actors want to send a message that politicians will not intervene in the work in the department. If the game is played once and if the new generation of actors' dominant strategy is to change the institution, the result will be a change. But this outcome is not Pareto-efficient because the benefits of institutional commitment (in the example – organizational autonomy) are lost.

The trust game (Majone 1997, pp. 145-146) offers a solution to the problem. The presentation of Majone, followed here, leads to different outcomes⁶. Let player A and player B be two successive politicians in charge of some organization of the core executive and having the formal power to alter its organizational structure. Player A has just come in office and has to decide whether or not to change the organization. Player A chooses whether to trust player B. Trusting is interpreted in the case as relying that when player B comes in power the institution will not be changed. A can inform B that he will not conduct a reform, thus offer trust, and will continue to do so

⁶ See Table 2 for the structure of the game.

until B also keeps the same promise. When once the promise is broken, however, the result is change and sub-optimal outcomes for both actors⁷. And next time for the actor that did not honor the commitment will be more difficult to gain the trust. So, actors gain reputation honoring the trust of the other actors. In a way, organizations and institutions that have remained intact for long period also accumulate reputation, or legitimacy.

In order to make the commitments more credible the actors introduce contracting and formalization of the trust. In the case of public administration it usually takes the form of statutes, rules of procedure, and alike. But contracting is always incomplete. We may expect that a lower rate of informal trust (result of broken commitments, or in the present case organizational changes) would correspond to a higher level of formalization of the contracts. This argument gives rise to the second hypothesis:

Hypothesis 2: A history of constant administrative transformation increases the formalization of the institutional commitments. Statutes (and other formal legal rules) get more widely used, cover more topics and details, and increase the barriers to change the institutions.

As the credibility of institutional commitments reduces every time a change is introduced, after a certain period a process of institutionalization of “the rules to change the rules” is also likely to occur. However, “higher level” changes may be reproduced, too. After the credibility of these commitments is also undermined, constitutional changes may be expected.

Hypothesis 3: Periods of turbulent changes will be followed by attempts to codify the rules of the game (the higher level rules).

Politicians have the formal power over reform, but at least in some cases they are not the only actors in the field. The civil servants may exercise considerable influence. Usually it is assumed that bureaucrats have the interest to expand their organizations. A more subtitled interpretation of their preferences is presented by

⁷ Majone reminds that there is no need the same actors to engage in the game, because the “system of reputation” is recorded in the entire history of the organization, its culture, etc.

Dunleavy (1991). Top-level bureaucrats, acting rationally, will maximize not the core budget (personnel salaries, running costs, etc.) but the bureau budget, program budget and the super-program budget. In organizational terms this could be translated as preference for controlling and supervising functions, while limiting the core activities to a few. It would lead not to fragmentation but to increased complexity of the system and more levels of control and supervision.

Hypothesis 4: Bureaucrats' interests lead to the creation of big organizational structures with relatively autonomous units. Generally, the process leads to integrated complex structure.

The third type of actors I take into account into the model is interest groups. They will prefer the persistence of current institutions, if they provide them with mechanisms for influence. So, once they “capture” an organization they will try to protect the institutionalized influence and hinder institutional changes.

Hypothesis 5: Organizations, subject to considerable influence by interest groups, tend to change slower and more difficult.

The interaction between the two groups is presented in Table 3. It predicts certain outcomes of the deals about organizational change.

The interest of the politicians to change institutions is conditioned on the procedures established to regulate the proper execution of change in the core executive. Different procedures exist, having different number of veto points, and thus creating different constraints for the enactment of reforms. The more complicated the procedures, and the more formalized, the lower the rate of changes expected.

Hypothesis 6. Legislative procedures matter for the rate and nature of organizational changes. More complicated procedures involving more veto points will reduce the rate of change.

To sum up, we have three groups of actors – politicians in charge, bureaucrats, and interest groups. The politicians are the major agents of reform and only strong

bureaucracy and a few well-positioned interest groups may reduce the rate and nature of reform. Nevertheless, if the successive political officials can establish a trust relationship, continuity will be achieved. A failure to stick to the institutional commitments will produce further change, lead to increased formalization of the rules, and eventually lead to higher order changes of the procedures to conduct administrative re-organization.

The model does not take into account external pressures. Exogenous factors, such as the influence of the European Union, or broad international developments, are intervening variables. They are utilized by the actors as important resources, still they cannot account for the direction and scope of changes. They provide important resources for the actors to make a change legitimate. Still, if the preference of the external agency is not clear, specific, and enforceable, it can not produce independent impact. The theoretical discussion identified a few variables of possible significance and the research methodology is tailored to test the proposed relationships.

Research Methodology

The present thesis is a diachronic case-study. It covers a period of 12 years in one country – Bulgaria. The research methodology is grounded mainly in qualitative methods. The research is interpretative – it tries to explain organizational change and persistence, rather than simply describe, or prescribe. Hence, it could be classified as historical explanatory. Normative implications of the results of the study are both unintended, and implausible, in view of the limited nature of the research.

Operationalization of the dependent variable

Several competing labels of the focus of the research may be offered. These are ‘central administration’, ‘executive branch’, ‘machinery of government’, ‘cabinet system’, and ‘core executive’. The term preferred in the research is ‘core executive’. It offers certain advantages: it escapes the formalistic implications of ‘machinery of government’ metaphor; it is more encompassing than the ‘cabinet system’, still more focused than ‘central administration’ or ‘executive branch’. The term ‘core executive’ is first introduced in modern political science by Rhodes (1995) and it contains a specific view and an implicit theory of the recent developments of the central government. It covers the institutions of the cabinet system (prime minister, ministers, ministries, personal/political cabinets/ council of ministers’ administration), and the

plethora of modern organizational forms, which are part of the central administration, but are not formally subjected to the top of the executive branch (like central banks, independent agencies, autonomous regulatory and management bodies). The problem with this definition is that it is quite vague, and its exact content is somewhat arbitrary. Hence, I will calibrate the definition to the case of Bulgaria. The operationalization is based on the current legal framework, specifying the types of central government organizations. Although such an inventory was not present prior to 1999, the then existing organizational forms resemble the characteristics of one of the legally recognized ones. The institutions included are the prime minister and his/her supporting administration, the council of ministers, ministers/ministries, inter-departmental councils, state agencies and commission and executive agencies. As the list contains more than 150 individual organizations, some selection of the cases to be presented in more detail is inevitable.

The dependent variable of the research is organizational persistence and change. Theoretically, we may list an inventory of the possible changes of interest to the study. The methods used in the research do not allow the inclusion of informal changes and changes in attitudes, beliefs, and norms. What I am interested in is formal organizational change. The inventory of possible changes ranges from internal re-organizations to complete transformation or abolishment of certain organizations. It presents the values than the dependent variable may have. Each of the organizations identified in the previous section are investigated in search of changes according to this list. The fate of individual organizations is traced, which provides a basis for analysis for the overall development of the institution of the 'core executive'.

The presented operationalization of the central concepts has one major advantage: it is methodologically possible the relevant information to be acquired. According to the Bulgarian legislation, in force for the whole period under study, all the relevant changes are to be approved by act of the ministries, Council of Ministers, or Parliament, depending on the nature of the transformation; and the acts should be published in the Bulgarian State Gazette. This requirement is observed in practice. Thus, a review of the issues of the Official Journal for the period under study allows the pooling of data with high degree of reliability, comprehensiveness, and consistency. The existing legal-informational databases further facilitated the task of

finding the data. The Bulgarian Juridical Encyclopedia⁸ was used for the period from 1999 to 2002. For the years between 1990 and 2002 the Ciela information system was used⁹. Other sources were consulted to address shortcomings of the selected databases.

In practice however even the use of databases can not guarantee one hundred percent accuracy of the data, as occasional lapses in the data have been detected. Especially prior to 1999, a wide variety of acts had been regulating the organizational set-up of central executive institutions. The use of clearly identifiable documents as statutes is common only after the enactment of the Administration Law.

The data has been crosschecked for omissions and inconsistencies through the brief historical notes found on most of the web-sites of the relevant organizations. Unfortunately, no synthesized accounts of the institutional transformations are available. That is why the first-hand gathering of the primary information is important for the explanatory phase. As the evidence is collected using original documents, it has a scientific value of its own, and the quality of this work conditions the relevance of the explanations.

The information gathered includes the name of the organization undergoing transformation; the legal argumentation for a change (if any); the nature of the changes (according to the inventory presented above); date of entry into force; date of actual enactment (if available), act with which the change is passes, whether it involves change of the statutes, etc.

Presenting the data

The objective of the descriptive phase is two-fold: to trace individual changes, and to examine the development of the whole system. A convenient way to present the information in view of these aims is to use a charts, based on the one employed in Davis et al (1999). The x-axis presenting the temporal dimension, the transformation of different organizations is charted along time. In this way we may grasp the dynamics of the entire system and parameters such as overall fragmentation or integration. Still, the particular modifications of each unit are traceable. Sector comparisons are also enhanced. But the general table is so complex that only selected parts are presented in the appropriate chapters.

⁸ <http://www.infotel.bg/juen>

⁹ <http://ciela.net>

All these efforts, however, amount to the accurate description of the investigated phenomena. The ambitions of the research go beyond this, and now I will deal with the methodology employed to find explanations of the observed developments.

The difficulties involved in such a diverse methodological strategy are result of the lack of widely accepted theoretical framework explaining institutional persistence and change. Even if the present research's theoretical framework is based on the interplay of rational group of actors, it may not overlook potential evidence made visible by other approaches. In order explanations to be derived a sector by sector approach is adopted. This allows the comparison of a large number of individual decisions on organizational transformation. The sector-by-sector analysis identifies the major patterns and will point out the most important variables.

The thesis presents a basic theoretical model of institutional change. This model is reconsidered on several occasions during the research in order a balance between parsimony and comprehensiveness to be achieved. No answer can be given to the question which comes first: the theory or the data. Although the specific aim of the research is to provide explanation of the development of the core executive in Bulgaria, some kind of theory testing is inevitable in regard to the lack of widely accepted paradigm of institutions that the research could endorse.

In addition to the survey of legal documents, the research included numerous informal conversations with Bulgarian high civil-servants and academics. Also, political programs, government strategies, and various kinds of policy documents and newspaper articles have been consulted.

To sum up, the research employs qualitative methodology trying to explain patterns of institutional transformation. The nature of the research is limited in both its scope and methods. However, the applicability of the results to other cases is possible, as I will try to move beyond the detail of every single minor transformation. The purpose of the study is to explain the course and pace of reform in Bulgaria, but it also evaluates the explanatory power of competing branches of institutionalism.

CHAPTER 3

PERSISTENCE AND CHANGE IN THE CORE EXECUTIVE

The empirical research produced fascinating results that run contrary to both intuition and scientific expectations. The adopted approach – diachronic investigation of the properties of the whole system – revealed processes that would have been neglected if a single organization, or a set of organizations, were to be investigated. The data records constant high-rate changes running through the core executive. The rate of small-scale transformations is high enough to make us think that there is no such phenomenon as “a current state of organization”: the only stability is somehow found in the regular changes. At the same time there are striking examples of organizations that are severely restructured on several occasions, but manage to survive, disguised under a different name, organizational form or position within the executive, for a period, far extending the timeframe of the research. It is too easy to conclude that under the layer of permanent reform, there exists a deep institutional structure, invulnerable to transformation efforts. Such an image is too simplistic and it leads to a methodological dead-end, as we are left with no clue what a “real” change means. The gathered information sketches a complex picture, difficult to grasp with a few statistics.

The structure of the core executive reveals the relics of various reform periods. The mere efforts to introduce coherence in the system are recorded in the organizational structure simply as another layer. The metaphor of many-layered, sediment structure is not new in institutional studies. It reminds of the garbage-can models of March and Olsen (1976), as it exemplifies the institutionalization of flows of ideas and interests, problems and decisions, coming from various sources at various points in time. But are we to be surprised by this empirical chaos?

The answer is negative, if the core executive system is conceptualized as a massive exercise in rationalization of the world. In the creating of central departments to deal with certain social phenomena, the social world itself is defined, sliced into domains, and organized in order to be managed. Imposing order on the chaotic world is a major task of government. However, there are different views of the world. If we were to deal with objective reality out there somewhere, a definitive structure of the executive would maybe emerge, reflecting trial and error, and achieving marginal efficiency at some point, with the effect of freezing the organizational structure.

Exactly because reality is translated, interpreted, and codified into the organizational structure of the core executive, the central government system becomes an arena of competing worldviews. In another sense, competing worldviews (or local rationalities) may be employed as resources in efforts to reform single organizations. The organizational changes data is far from an image of the executive as fulfillment of a rational, consistent, top-down master-plan with a few local anomalies. The task of government is so complex, that the organizational structure, in its details if not its major components, is constantly in question. In turn, the uncertainty enables interested agents to impose their decisions on the problem of organizing social reality on the core executive system.

This discussion at first sight has little to do with the presentation of the empirical information it is supposed to introduce. However, it has important consequences and justifies the approach adopted in the chapter. At first, the pooling of the data was meant to be almost self-explanatory. A properly designed table, complemented by a database with the organizational changes details, should be clear enough to require little explanation. However, the complexity of the data (large number of organization included in the study, large number of the events under investigation, etc.) blurs the clarity expected from tabular arrangement. That is why I will keep the general presentation of the results for the appropriate sections and turn to in-detail discussion of several groups of organizations. The clustering of the organizations (according to their status within the core executive) implies that the cases gathered under one heading have similarities distinguishing them from the rest of the observations. While this could be the case, the next chapter will focus on the problem. For now, the classification serves only a more comprehensive presentation of the results and more clarity in the description of the processes. So, in the remaining part of the chapter I will deal consequently with the council of ministers, as a decision-making body and an administration, the inter-departmental councils attached to the council of ministers, the ministries, the state commissions and state agencies, and with the executive agencies. The description of the system in its development during the last 12 years will lay the foundations of the analysis contained in the next chapter.

The Council of Ministers: At the Heart of the Executive Machine

The Council of Ministers is the central organization, the spider in the web of the core executive. The term is used in different meanings. First, it denotes the highest decision-making body in the hierarchy of the executive. Secondly, it refers to the *administration of the Council of Ministers*¹⁰, or the organization charged with providing support for the meetings of the Council. Of course, such a simplistic distinction is difficult to find in practice. The overall historical development of the administration has added substantial new tasks for the administration of the Council of Ministers. The general rise of prime-ministerial power means that the council of ministers takes responsibilities to assist the prime minister. In the European cabinet systems the council of ministers plays various roles, having different accents in its work. Its influence and potential also varies (reference). It could be regarded, however, as the single most important organization within the core executive, as the prime minister is an institution, but surely not an organization.

The Bulgarian council of ministers developed from an organization of secondary significance into a multi-functional, complex organization, charged with various tasks, and maybe because of that lacking a clear identity, strong independent power, and organizational capacity to play a decisive role in the public administration system in Bulgaria. The frequent changes of its statue enriched and extended its competences, and at the same time prevented its institutionalization as autonomous locus of power.

It should be noted that the potential influence of the council of ministers is significantly higher in cabinet systems. The choice of the cabinet system as organizational principle for the executive came as “natural” institutional choice after the fall of the communist regimes in most of the countries from Central and Eastern Europe. Cabinet systems are the rule in Europe, but exception worldwide (Blondel and Muller-Rommel 1997). So the choice is hardly “natural”, but its explanation falls beyond the limits of the current research. However, the system choice has important consequences for the development of the council of ministers. By default, in cabinet systems its role and responsibilities are different.

¹⁰ For simplicity, from now on I will use “Council of Ministers” (with capital letters) for the collegial body, and “council of ministers” (with regular letters) for the administration of the Council of Ministers.

The conclusion is evident if we look at its position in Bulgaria before the enactment of the Constitution of 1991. In the communist regime the Council of Ministers has been explicitly subordinated to the State Council, the highest institution in the hierarchy of the communist totalitarian state. As a result, substantive policy-making has been practically exempted from its competences. The co-ordination role has been also minor, as the apparatus of the communist party de facto exercised co-ordination functions. So, the role of the Bulgarian council of ministers has been technical, limited and formal. For the 12 years since the regime change, the transformation is great; still the natal inefficiencies may be seen. A summary of the development is presented in Figure 1.

The Constitution lays the foundations of the institution and introduces its governing role. It does not go into detail, though; it leaves much room for flexibility. For example, the exact number and names of the ministries are not specified. The basic tasks of the Council of Ministers are enumerated, as well as some procedural matters. As a whole, however, the focus is on the rules governing the election of the cabinet and his/her dismissal, and its relationships within the wider governance system. Organizational matters are left unsettled. The first statutes, regulating the functions, rules of procedure and organization form of the council of ministers were passed in 1993.

Several important points from the first statutes deserve more attention. First of all, it is quite short, regulating only small part of the issues, regulated by the next statutes. In general, the tendency is towards more and more detailed regulation. As of 1993, the main issue to be specified is the procedural rules of the Council of Ministers. The structure of the organization itself is only a minor theme. The single most important feature in regard to the organization is the distinction between functional and service units within the structure. However, no further details are stipulated, except that the functional units deal with legal, socio-economic, public order, and local government matters. The last point is significant, as we will see that it gives the ground for the development of a directorate, co-coordinating local and regional governments from the offices of the council of ministers. The first statutes are salient, as they indicate lack of clear vision about the role of the institution, and because they contain some of the ingredients from which the present structure is derived. For example, the figure of the secretary-general is introduced, as a head of the administration of the council of ministers. Later amendments change the relative

importance of the secretary general vis-à-vis the prime minister, or the much later established position of minister of state administration.

The first statutes were replaced by a new regulation passed in 1995. The fact that no amendments were passed in the 2-year period is worth mentioning. Moreover, although the new act formally is completely new legislation, it builds on the first statutes and incorporates much of the existing rules. More importantly, it shares the same ambiguity in regard to the major tasks, responsibilities, and position of the council of ministers. For the short time of its application (roughly a year and a half), it has been amended twice – an observation that is more coherent to the general picture of the changes in the core executive.

The statutes from 1995 explicitly define the multi-purpose role of the Council's administration. Article 8(2) stipulates that both the Council of Ministers, and the prime minister (and also the deputy prime-ministers) are assisted by the administration. The move is towards shaping the council of ministers in a way that may support the role of the prime minister. The introduced position of spokesperson of the prime minister is acting in the same direction. The position of the secretary general is slightly eroded. This conclusion may be drawn from the fact that the authority over the internal organization of the council of ministers is explicitly given to the prime-minister (reinforced with the amendments). Important organizational innovations build upon the previous structure. In addition to the functional and service departments, the press office, and the cabinets (de facto political cabinets as later established by the Law on Administration) of the prime minister and the deputy prime-ministers are enumerated as constituting the structure of the organization. The structure becomes more complex, but we see how the different layers are incorporated. The changes do not follow some a priori considerations. Rather, the structure adapts to the new pressures and interests. The exact number, tasks, and personal of the internal units are not yet specified. The act regulates in more detail the procedural matters during meetings of the Council, while organizational questions are still given minor attention.

The new statutes from 1996 mark continuity in regard to the elements under investigation, although the nature and the style of the document are quite altered. To the organizational structure "single-purpose" class of units are added. Up to now we have a quite complex structure of functional, single-purpose, and service departments,

the cabinets, the press office and the spokesperson, and the autonomous economic units, parts of the service departments.

The statutes are amended on numerous occasions. The amendments target, among other things, to clarify the procedures for preparation and consultation of legal acts. The designed rules reinforce the existing institutional structure: the legal unit in the council of ministers is given powers to review and comment on the submitted draft legislation. Similarly, the Legislation Council at the Ministry of Justice is supposed to ensure the consistency of the new legislation prepared. Yet, the co-ordination structures and the relationship between the different elements are not very clear. And they did not survive the reforms introduced with the Administration Law.

The statutes from 1999 mark a real difference and extend the regulated issues in scope and depth (the document itself is more than twice as lengthy). Moreover, the approach adopted and the underlying philosophy significantly changed. The act for a first time sketches the organizational structure in detail, the position of minister of state administration is introduced, the responsibilities, rights, and obligations of the civil servants in the council of minister are stipulated. Of course, the new statutes reflect the new environment for public administration created with the Administration Law and the Law on civil servants. It would be a mistake, however, to regard the changes as simple process of adaptation to the new general legislative environment. Until 2002 the statutes were amended more than 8 times, which discredits the thesis of reactive adaptation. On the contrary, the need to adapt the organization to the new norms creates an opportunity the evergreen issues of power distribution within the organization (prime minister, minister of state administration, secretary general), right of access to the decision-making procedures, etc. to be open again.

The act codifies already existing practices and integrates various documents relating to the work (and organizational environment) of the Council. If we focus on the departmental structure, we could catch a glimpse of the various components pooled in the institution. First of all, there are units managing the internal work of the Council, the personal management, and the economic activities associated with the work. On a second place come units directly supporting the prime minister (the political cabinet) and the Chancellery to some extent. The staff of these units is constantly rising, reflecting the need to strengthen the capacity of the prime minister to co-ordinate the machinery of government. Another class of directorates deals with substantive policy-making. The State Administration directorate is extremely

important in the field of administrative reform, the Regional Co-ordination directorate is charged with co-coordinating the regional authorities (in Bulgaria there is no system of meso-level of self-government), the Public Procurement directorate oversees the process of public procurement in the entirety of the public administration system. The European Integration and Relations with International Financial Institutions directorates is extremely important in regard to the accession of Bulgaria to the EU. In addition, there is a directorate dealing with the administration of the inter-departmental councils. So, we have at least four types of units incorporated in the structure of the council of ministers. These units have various tasks, various control mechanisms, various degrees of involvement in the every-day work of the Council of Ministers.

The diversification reflects the historical process and the changes in the statutes described above. At the same time, it creates trouble for the consolidation of the institution. The point is very well exemplified by the dubious role of the Public Relations directorate: the ambiguity whether it serves the prime-minister, the Council of Ministers, or in a way the government as a whole is translated into everyday decisions and constant shift of focus. After all, it is not quite clear who is the master of the house of the council of ministers. As a resident there, and top of the executive, the prime-minister by default is the highest authority. Still, the minister of state administration has control over the day to day running of the organization, shared with the general secretary. In this atmosphere of uncertain and changing patterns of control and co-ordination, the reshuffling of power relations on a personal basis in the triangle leads easily to formal changes of the rules of the game. For example, in 2002 the position of the Secretary General was strengthened at the expense of the minister of state administration. The change however was a result more of the personal closeness and trust between the Secretary General and the prime-minister, than of concerns about continuity in the public administration.

Even if we do not focus at the details, the high rate of changes of the statutes pose important question: is the council of ministers institutionalized at all? Assuming that the statutes are supposed to provide certainty and, in a way, rigidity of the organization, how should we interpret the finding that only in the year 2000 it was amended 3 times. Even if we conclude that some of the amendments strengthen its position (for example increase in personnel), the mere fact that the rules are too easily changed speaks clearly that the organizational identity of the council of ministers is

hardly insulated from the political struggles. The observation that the rate of changes increases with the length of the statutes is also consistent with the conclusion.

In short, the formalization of the statute of the council of ministers in Bulgaria cannot be interpreted straightforwardly as institutionalization. Even the exact nature of the changes does not matter – the message is the rate of change itself. During the 12 years since 1990 the council of ministers developed as a diverse organization, involved in policy networks managing public administration, regional government, the application of information and communication technologies in government, etc. Its identity is however still unclear, and its autonomy as a single body is minimal. The organizational structure is fragmentized, as a result of the completely different functions exercised by the different units. From the empirical data emerges the conclusion that the Bulgarian council of ministers is a complex organization with changing boundaries, identity, and growing importance.

These observations will be repeated in the discussion of the other institutions of the core executive. In a certain way, the development of the council of ministers focuses and reflects the broader patterns found in the Bulgarian administration. As a central locus of decision-making its identity is conditioned on the overall state of the public administration. In turn, its inefficiencies (in co-ordination, oversight, control) are transmitted back into the system. A strong council of ministers may function as a counterforce to the separatist tendencies of the ministries and departments. In more analytical terms, the data portrays the core executive as a system in the strong sense: relationships in one part of the system are translated into the other parts. A more comprehensive account of this finding will be presented in the next chapter. For now, I will continue with the presentation of the historical development of the next cluster of organizations of the core executive in Bulgaria: the inter-departmental councils attached to the Council of Ministers.

The Rise of Interdepartmental Councils

The interdepartmental councils (IDC) attached to the Council of Ministers are a set of organizations established to deal with a specific question or to co-ordinate policy-making at the central level and to assure general oversight of agencies in the field. The archetypal model of IDC is found in the British administrative tradition where they play extremely important functions and have wide autonomous decision-making powers. This is not the case in Bulgaria. Despite their proliferation in the

years after the fall of the communist regime, their role remains secondary, and many of them serve merely as institutionalized channels interested parties to express their “voice”. But the impact on policy-making remains minor. Before we trace the development a few considerations must be given. The establishment of IDC is relatively easy, as the procedure does not require the sanction of the Parliament (although some of the councils are created by laws). Their input into the policy-making process is rarely explicitly protected. Finally, the IDC are often the umbrella of policy networks, and as such are conditioned on the development of the whole structure of institutions managing certain domain.

IDC are not popular institutions during the communist rule. Nevertheless, there are some examples, and more importantly these examples show great capacity for survival. The most striking case is the Central Commission for Fight with the Anti-social Behavior of Minors, established in the 1980-s and found in the current system, also. The Council for the National Radio Frequency Spectrum, under different names, also is a relic from the time before 1990. Generally, once established, even as an ad hoc bodies, the IDC show remarkable potential to survive, disguised and transformed. The empirical data provides only one example of abolishing an IDC – the Council for Scientific and Technological Policy – established in 1998 and functioning until 2002 when its tasks are transferred to a ministerial level. The overall pattern is that once created, the IDC are reformed consequently in regard primarily to the access rules, but continue to exist (at least formerly). A nice case is the Council for Computer Problem 2000, apparently an ad hoc body that nevertheless is later incorporated in the Co-ordination Council for Information Society. The co-ordination Council for Information Society itself is created in March 1998 (under the name Co-ordination Council for the Problems of Information Society), abolished and recreated under the new name in 2000.

Although the relative stability, some of the IDC are reformed constantly. The Interdepartmental Council for the Defense Industry and Mobilization of the Country’s statutes are changed more than 15 times since 1993. The National Council for insurance’s statute is changed 8 times since 1996. On the other end of the spectrum the Council for Regional Development, established in 1999, is functioning under the same rules now (only one minor change detected).

A simple functional typology of the existing IDC must include at least three categories. First of all, there are councils created to deal with a specific short-term

problem that manage to remain active for a long period of time (Interdepartmental expert council for overcoming the unwanted effects of abolishing mines, Central commission for fight with the anti-social behavior of minors). Consultation with interested parties is the rationale behind the existence of another group of organizations, the most prominent of which is the Council for Tripartite Co-operation (forum for dialogue between the government and the representative organizations of the employers and the syndicates). Other examples include the Council for Regional Development, Council for Structural Policy, etc. The largest group consists of organizations dealing with sectors requiring high co-ordination, as customs, border control, internal state financial control, European integration, security. It may be observed that in policy areas where executive agencies have been established, also IDC are envisaged (work conditions, health, narcotics, insurance). The last remark in regard to the types of IDC is that often the requirements stemming from the accession process are addressed by the creation of IDC.

Summarizing, the total number, as well as diversity, of IDC increased during the period under study. Some of the bodies exist from the communist regime but most of them are created in the period in the period 1997-1999 (a second peak in 2002). They proliferate in areas where high level of co-ordination of the various government departments is required (customs, security, public order, European integration, financial control), as well as in sectors where societal actors have institutionalized access to policy-making (health, labor and social security). The existing information sheds doubt in their effectiveness. It seems that often their inception is no more than symbolic action to address a short-term problem (see the creation the IDC for Administrative Modernization in 2003 after the critiques of the European Commission for the pace of administrative capacity development). The IDC are a specific aspect of the system of core executive that may be expected to raise its importance in the overall machinery. For now they are complementary institutions¹¹.

Ministries: Reshuffling the Building Blocks

The ministries remain the main building blocks of the core executive in Bulgaria. That is why even minor changes bear extreme importance. The creation or closure of an IDC may not hurt a lot because it implies the recruitment/dismissal of a

¹¹ With the possible exception of the National Council for Ethnic and Demographic Issues

few administrative assistants and time from the schedules of policy-makers. The costs of a transfer of a department from one ministry to another, however, imply much higher costs, and disturb the whole machinery of government. As indicated in the literature review chapter there is surprisingly little academic interest in the division of portfolios and the ministerial system. My argument is that these are matters of intense importance, both for practical and scientific purposes, and the evolution of the Bulgarian ministries will be examined in detail.

During the communist regime the ministries are subject to endless experiments and re-engineering. The discontinuity is remarkable. Ministries are created, merged, divided, or abolished with ease and speed beyond any standard (Blondel and Muller-Rommel 1997 and 2001). The ever-going reform re-structures the ministerial structure sometimes within months. The tendency leads to the existence of more than 20 ministries at one point and their sudden reduction to a dozen at another. The cycles are short, and there seems to be enormous desire for reform, and little patience to see to results of it. The exceptional dynamics is even more surprising in view of the lack of political change on the top of the communist state.

In the last reform prior to the regime collapse is in 1988, the cycle reaches one of its lowest points and only 10 ministries are left to function. Even the Ministry of Finance, usually considered untouchable, is abolished. The system from 1988 represents a template for the further development in the next 12 years. The results of the research in regard to the historical development of the ministries are presented in Figure 2. We could clearly see the two major characteristics of the process: instability and overall growth of the number of ministries. Still, the total number is within the limits of the East and West European experience, and significantly lower than the one found in non-cabinet systems (Protsyk 2003).

The data shows a group of ministries that live through the period without any major change: Interior, Foreign Affairs, Defense, and Justice (with the exception of a short period when it is called Ministry of Justice and Legal Euro-integration), Health. These ministries constitute a core within the system that is highly institutionalized and difficult to change. Their protagonists come from the establishment of the modern Bulgarian state. What is also common is that the personnel of these ministries is highly specialized, distinct from the other public employees and civil servants. Diplomats, military and public order officials, medical doctors, and the jurisprudence specialists staffing the Justice ministry are groups having the tradition and means of

autonomous power; they are relatively well-organized, identifiable and embedded into the social structures. The ministry of finance, after its re-establishment must be added to the group, although its stability comes maybe from the pivotal position in the whole government machinery: a position affirmed by changes in the legislation and budget procedures.

A second group comprises ministries that exist, in one configuration or another, during all the time, but still are subject to transformations and adjustments. In this group is the Ministry of Education and Science. We see periods when general education forms a separate ministry, and times when Culture is attached to its portfolio. The agriculture ministry is also quite stable, only Forests being separated into an autonomous unit, and Food Production being part of the responsibilities at some point. Once established, the existence of the Ministry of Environment remains unquestioned and Waters are added in its appellation. The ministry of regional development is constantly renamed, the changes affecting little its portfolio. The ministry of social care/policy is another example of relative stability in organizational terms. Transport and Communications are also domains having firm basis in the ministerial structure, despite the shifting accents in the work of the organization.

The third group encompasses areas that are still on the way towards stable institutionalization on a ministerial level. The governance of economic relationships is the one most often restructured with consequences for the ministerial configuration. Bulgaria inherits from the communist regime extremely fragmented institutional set-up in regard to industry and economy. Moreover, the underlying ideology of the role of the state in the management of economy is most dramatically changed. The data shows that the new policy paradigm, whatever it is, is translated difficultly into organizational structures. At first, separate ministries for external economic relations, and industry, trade and services co-exist. Some parts of the present portfolio are also found in other institutions. A special ministry of trade and tourism exists up to 1999. In 1999, following the change of cabinet members, the mega-ministry of economy is established, integrating the current organizations. The choice seems stable, but only until we look at the internal re-organizations in the ministry that follow at tremendous speed. Besides, politicians and interest group question regularly the appropriateness of the mega-structure and promote its separation into several ministries. While assessment of the efficiency of the alternative institutional designs is not an objective

of the research, it may be noted that integration/disintegration of the economic ministries is a common response to economic difficulties.

The recently (re)established ministry of Energy and Energy Resources is another case of institutional dynamisms and lack of final decisions on the organizational form to govern the energy domain. In every restructuring of the ministerial configuration it is a likely candidate to be transformed. The rest of the periphery of the ministerial structure is populated by the Ministry of Youth and Sports, yet to prove its stability, and the domains of public administration and European integration that although having a minister do not have for now corresponding ministry.

The analysis so far is targeted the ministerial configuration. If we look into more detail for organizational changes within the individual ministries, the picture becomes even more complicated. If there is a “picture” at all: the changes are so many that analysis of any ministry at any point of time within the research limits is likely to catch a temporary situation with unstable parameters. For example, the statutes of the ministry of finance in force from 1991 to 1999 are amended 20 times. The statutes from 1999 are amended at least 10 times till 2002. These figures capture the dynamics, still they do not even include the changes in organizations part of the ministry – as the tax administration. To take another example – the relatively stable ministry of foreign affairs has three statues from 1999 to 2002 and a few changes of each statute.

A possible interpretation of the dynamics may be based on functional basis. As the inherited ministerial configuration and the organizational structure of individual ministries are inappropriate for the new reality after the fall of the communism, an extensive reform is needed. Exactly this point is, however, discredited by the empirical data. First of all, the system is far from stable during the totalitarian regime. Secondly, there is no long-term strategy to design the reform: no analysis of the starting point, no priorities set, no final stage envisaged. Next, the changes do not point in the same direction. Rather, cycles of reforms are present. The last objection to the functionalist argument is that the individual small changes are not co-ordinated on a system level. The logic underlying the dynamism is to be found outside the reform rhetoric.

Notwithstanding these observations, some patterns can be seen. The ministries are getting rid of some activities, like the management of state property or their own

leisure facilities (the ministries of justice, economy, defense, etc.) More importantly, substantive domains are delegated to executive and other bodies, insulated from direct control from the ministry. In areas like research, control and oversight, and regulation, the agentification is most pronounced. But there is significant variation of the degree to which the ministries have been unloaded from functions and prerogatives. In order to illustrate this development, a more thorough investigation, looking beyond the major institutions of the core executive, is needed.

State Agencies and State Committees

State agencies and state committees are institutions of the central executive, occupying the next steps in the hierarchy after the ministries. The hierarchy is symbolic, but also institutionalized with acts like the register of administrative structures, the ranking of civil servants, etc. And it has some very practical implications, as differences in the salaries of the civil servants. The main difference is however that the managers of these organizations do not attend the meetings of the Council of Ministers.

Although their status is formerly recognized first by the Administration Law, state commissions and committees are a widely used institutional set-up during the communist reign. Although their status is not regulated until 1999, they are a common feature of the organizational landscape of the executive for a long time. The Administration Law defines state agency as administration directly subordinated to the Council of Ministers, a separate legal entity, financed by the budget. It performs functions that are not performed by a ministry (article 47) – a weird definition, conditioned on the definition of a ministry, which in turn is defined as an administration supporting a minister. The amendments from 2000 of the Administration Law introduce ambiguity in the appointment procedures for the chiefs of the state agencies, as article 47 (4) postulates that he/she is selected by the Council of Ministers, while the amended article 47 (6) states that the appointment is done by the prime-minister. As a whole, the legal status of the state agencies is unclear and allows much leeway for design.

State commissions are collegial bodies that could be attached to a specific minister or to the Council of Ministers. They are functionally defined as performing control and registration tasks, delegated by a law. So, they are a step further in the

delegation of executive prerogatives to organizations having some autonomy in the management of day-to-day activities.

The typology introduced in the Administration Law is an effort to classify the existing institutional variety. It is rather a template imposed on the reality than a scheme derived from the existing practices. As a consequence, we can not expect the real organizations to fit neatly in the legal definitions; the typology provides an approximation and descriptive tool. But, comparing the development of these two types of executive organizations, we may find surprising differences.

Tracking the historical record of state agencies we find the same patterns as in the ministerial evolution. High rate small changes and restructuring every 3 years are the rule. The State Agency for Bulgarians Abroad, a relic from the communist times, is transformed almost by every government, but remains active under various names and forms. The Refugee Agency in a like manner is restructured in 1999, 2000, and 2002. Even the State Agency for Metrology and Technical Control, at first sight an unlikely candidate for political attention, is transformed markedly 2 times only since 1999, not counting the seven amendments of the agency's statute between 2001 and 2002. Another important observation is that there is sometimes changes of their status from agency (attached to a minister) to a state agency (State Agency for Bulgarians Abroad) and from a department within a ministry to state agency (State Agency for Civil Protection).

In contrast, the state commissions illustrate relative stability and continuity. Most of them receive the legal status of state commissions during the year 2000. Although they are not completely exempted from intervention, in the framework of the Bulgarian public administration the changes are modest and rare. The important exception of the pattern is the State Commission for Energy Regulation but it will be dealt with separately in the next chapter.

Looking into the details, however, we miss another tendency. The Administration Law creates, in addition to the ones discussed so far, the group of executive institutions established by law or a decree of the Council of Ministers. It is a group apparently designed to pool the cases that do not fit into any of the other types. As such it should have been used only in exceptional circumstances. The opening in the system, once created, is used in the opposite direction. At present, the research found 5 state agencies and 7 state commissions. The group of "others" comprises at least 11 organizations. The special status gives opportunity for special privileges and

different entry in the registers, pay tables, etc. As most of the institutions are not designed completely from scratch but have a predecessor, mentioned in a law or decree, they have the formal basis to enter the “special group”. But the status change comes at the expense of reduced clarity, straightforwardness and transparency of the whole machinery of government.

To complete the topography of the core executive, the next section will analyze the increasingly used organizational form of executive agency.

Executive Agencies

An institution that does not have an exact counterpart in the times before the democratic change, the executive agency is an innovation in the Bulgarian government machinery. It is based on the approach advocated by the new public management and incorporates characteristics of private (business) and public organizations. It is supposed to provide a considerable degree of managerial autonomy and organizational independence. Of course, the ideal type leaves much room for variation in the actual set-up, as it may be seen from the experience of the West (OECD) countries (OECD 1999).

On Bulgarian soil the executive agencies quickly rise in number and they are found suitable for organizations with diverse functions and background. The major group is composed of former units of larger institutions, dealing specifically with the property in the hands of the institution (e.g. Executive Agency Diplomatic Property). The executive agencies providing services also fall into this category (e.g. Executive Agency Military Clubs and Information). The government research and documentation bodies form another group (Institute of Public Administration and European Integration, Centre for Translations and Editing, National Centre for Environment and Sustainable Development, the recently established ICT Development Agency, Institute for European Information and Research).

The domains where most of the executive agencies are to be found are economy, transport, agriculture and defense. In the transport sector the path towards the adoption of executive agencies is especially clear: road transport, maritime transport and aviation evolve from directorates within the Ministry of Transport through special units of the ministry towards executive agencies. The same could be said for Executive Agency Roads at the Ministry of Regional Development and Public Works. The pattern in the economy sector is more unclear. The present executive

agencies attached to the Ministry of Economy have origins in diverse organizations, ranging from the Industry Centre in Moscow, to the Tourism Promotion Agency.

The brief overview is enough to show that the executive agencies accommodate quite wide range of organizations. Little can be said about their stability, which is even more important in the case of executive agencies, as they are supposed to be insulated from political intervention in regard to the organization of the work. Mostly established after 1997 the executive agencies' statutes are amended regularly, yet the changes do not amount to discrediting their stability in general terms. It is worthy to note that most of the organizations, created with the support of the EU, are designed as executive agencies; a fact that speaks in favor of their relative autonomy. As they exist from too short time though straightforward conclusions should be avoided.

Conclusions

In this chapter the historical development from 1990 to 2002 of the Bulgarian executive was presented in short. The organizational changes in the government machinery were traced and analyzed. The presentation's aim was to be comprehensive enough to highlight the major tendencies, re-occurring patterns of development, and hidden processes in order to lay a firm basis for explanatory analysis. The data-set on which the description is based allows further details, and different interpretations. Following close the empirical information, a few generalizations can be made so far. The accumulated small individual changes amount to some development seen from a system level. Thus, the perspective is changed for a while

If one thing is for sure, it is that the Bulgarian executive institutions became much more formalized during the 12-years period. Their mission and objectives, procedural matters, organizational structures, financing and so on were increasingly scrupulously written down in statutes and other documents. The legislative environment became more strict and explicit. The internal relationships and the communications with other organizations are now regulated and subject to control according to explicit procedures. The formalization mainly comes from horizontal reforms targeting human resources management, budgeting, law-drafting and information management.

To some extent due to the increasing formalization, the internal structure of the executive institutions became more alike. Hence, a process of standardization is

identified. In 2002 the organizational features are found similar across units from different sectors and enjoying different legal status. The Administration Law may be seen as the turning point, however the process is traceable from the early 1990-s. At the same time the standardization is undermined by the success of individual organizations to develop special statuses. The cycle of aggregative/integrative reforms of March and Olsen (1989) is observable in practice. In the early 1990-s a process of standardization and formalization may be seen, followed by haphazard development of a wide range of organizations. In the end of the decade the initiated administrative reform enumerated the only appropriate organizational forms, starting a process of consolidation. Since then, in turn some organizations manage to find space to develop particular characteristics and diversify the range of executive institutions.

The council of ministers underwent significant changes that resulted (no finality implied) in the development of complex organization, serving the prime minister, the council of ministers, and making policies in areas like public administration reform and European integration.

The council of ministers is the hub of increasing number of inter-departmental consultative bodies, proliferating in areas like health and customs. But its potential to compensate the co-ordination problems at the heart of government is still weak.

The ministerial configuration is reshuffled on several occasions during the 12-years period, with some ministries showing stability and others being constantly transformed. Figure 2 shows the development of the ministerial structure.

The state commissions and state agencies complement the government machinery and, especially the state commission show remarkable stability in the background of constant changes in the system.

The high-rate of changes, small and fundamental, across sectors and types of organizations is the most evident and striking finding. The number of changes goes, in my opinion, beyond any theory-derived expectations.

The second lesson to be learned from the historical investigation is that the core executive is a system in the strong sense. The composing organizations are intermingled, dependent on each other and formerly tied that questions the appropriateness of analyses of single organizations. Changes produced by exogenous variables in one part of the system have consequences for the whole system. The development of executive agencies, for example, is empirically linked with the proliferation of inter-departmental co-ordination and consultative bodies. Another

observation captures different aspect of the argument: the reform of the information security management required changes in the statutes of numerous organizations.

Having outlined the most relevant findings, we can approach the next chapter that will try to offer an explanation of the phenomena presented.

CHAPTER 4 CAUSES OF ORGANIZATIONAL CHANGE: EXPLAINING THE INSTITUTIONAL DYNAMISM

The aim of the chapter is to address the problem of explaining the organizational changes in the Bulgarian government machinery. The theoretical model, developed in Chapter 2, creates the framework for analysis. At the same time, the explanatory part will try to stay as close as possible to the empirical material. The question what causes organizational change could be approached through inductive or deductive methods. In this text, the analysis will treat the presented data as a test for the theory. The hypotheses derived from the model will be projected on the actual data and the fit will be examined.

In a nutshell, the proposed theoretical model states the following. The political leaders (of particular organizations) have an incentive to change the institutions once they get the means to. This simple assumption takes into account only the interplay between generations of political leaders. On its basis, the only way stability of the institutions to be achieved is when the game is repeated and the incentives of change are discounted. However, the relationships are embedded in institutional structures that affect the outcomes. Differences in decision-making rules are expected to produce variance. The existence of powerful bureaucracy may hinder reforms. The institution may be “captured” by interest groups, promoting stability while guiding their institutionalized channels for influence. Once established, organizations are expected to be more invulnerable to changes if they have survived several rounds of change in political leadership. On a system level, two hypotheses arise: second order changes (changes of the rules governing the change of organizations) will follow the amounting of broken institutional commitments. External influences will be ignored if they guard stability and will be exploited when they push for change. So, basically, politicians in power will change the organization when they want, if they can.

The plan of the chapter addresses the different aspect of this proposition. First, the incentive of political leaders to change the organizational parameters will be shown in the context of the Bulgarian public administration. Next, the proposition for institutional dynamism will be compared with the data. The second order change will be exemplified with the administrative reform. The rest of the text will concentrate on the “survivors” or cases that run contrary to the general pattern of change. The organizational development of the economy sector will be employed as example of

the general trend. The health and labor domains will check the hypothesis for the influence of interest parties. Finally, the way external pressures are accommodated will be discussed.

Why Politicians Want to Change Public Organizations?

The integrity and validity of the whole model is based on the assumption that politicians that head a public organization would want the change it. In other words, they must have a strong incentive to initiate reforms. The incentive must be concrete, direct, and powerful enough to motivate the efforts to design and enact the change. In the case of the Bulgarian core executive the incentive is based on the opportunity politicians have to manipulate the entry and exit into the organization in times of organizational transformation. The opportunity is in a way a lapse in the rules. However, once found, the pattern was itself institutionalized and become unquestioned.

How is this possible? The case of the 1992 transformation of the state company Diplomatic Service into Bureau for Service of the Diplomatic Corpus neatly illustrates the point. It is one of the earliest examples found and the only one where the traces of the process in detail are documented into the sources on which the study is based.

The story is the following. Recently after the coming into power of the first democratic government in Bulgaria, a massive restructuring of the executive is initiated. As part of the reforms the issue of the State Gazette N13 from 14.02.1992 records the decree of the Council of Ministers for the abolishment of state company for diplomatic services, and at the same time, as part of the same act, the creation of organization with slightly changed name and new status. It is also said the legal entity takes the assets of the abolished unit, and the labor contracts are transferred. The next issue of the state gazette, however, contains an amendment that actually interprets the last statement. It postulates that the transformation will be marshaled according to Article 328 (1), p.1 of the Labor Code – which means according to the legal hypothesis of full liquidation of the legal entity. The need for the special interpretation actually shows that there is room for different implementation of the organizational reform, and that deliberately the liquidation regime was chosen. It basically allows the new organization to freely hire and fire. The new leaders may select the personnel.

More importantly, a new head of the entity may be chosen even though his/her term of office has not expired.

The example shows in detail how changing an organization, without actually changing it (note also that the direction of reform does not matter), is beneficial for the political leadership as it gives to control of the organization, and its human resources. The pattern is reproduced over and over, though in the subsequent cases to explicit interpretation is given. The practice is silently accepted and institutionalized. It is actually hidden in its history. The example seems at first point as a trigger for the subsequent development. The evidence implies that it is a formal legalization of a practice established long before the case. The importance of the story lays in the details that could be traced, not its originality.

The Political Causes of Organizational Changes in Bulgaria

There is an institutionalized mechanism enabling politicians to change the executive organizations in Bulgaria. Is the pattern observable in practice? More importantly, can such a simple theoretical proposition, as the incentive attributed to politicians to transform institutions, account for a large proportion of the cases. The immediate answer is that it does surprisingly good job. On the following pages evidence for this conclusion will be presented. The hypothesis is that change in political leaderships produces organizational changes.

The first implication of the hypothesis is that the nature of political change is irrelevant. The party ideology does not matter; the political composition of the government is not a variable. In fact, the change could be within the same governing party. A new generation of leaders would design new organizations in order to get hold of the old ones. The parsimony of the hypothesis allows even the high rate of administrative changes during the communist regime to be explained. While the head of state had remained the same, the officials from high and middle echelons had been less long-lived. Roughly, the organizational reforms may be related to new *functioneri* getting the power over the institutional set-up of the executive.

The second implication is that the nature of the organizational change does not have primary importance. Cycles of transformation from one type to another may be supposed in consistency with the model. Politicians will be willing to grant agencies more autonomy, as long as they the ones implementing the reformation. The next generation may push the process even further, if they can get control over the

organization during the period of change. Such an interpretation circumvents some of the perennial problems of institutional theory instead of proposing a solution. The issue why politicians decide to grant powers to agencies, for example, becomes irrelevant. The dynamics of the Bulgarian system of central government is captured to a large extent without any elaborations of the model. Of course, there are cases that do not confront to the pattern and they deserve special attention. The bulk of important changes (substantive changes of the statutes or transformations of organizations), however, may be attributed to change in political leadership.

Let us focus first at the period in the beginning of the year 2000, immediately after prime-minister Ivan Kostov changed more than half of the cabinet ministers. Yet, the government remained the same. Within the next 6 months numerous organizational changes are traceable. From the IDC the Co-ordination Council for Information Society was created after the Co-ordination for the Problems of the Information Society was abolished; the National Food Safety Council was also reformed. A bunch of other council's rules of procedure were amended, the amendments targeting mostly participation rules.

The ministerial changes from that time can be seen from Figure 2. The configuration changed significantly. From the group of state agencies, the State Agency for Bulgarians Abroad was re-established with the present organizational form. The refugee agency and the State Agency for Metrology and Technical Control received new statutes. The civil protection unit from the Ministry of Defense was attached to the Council of Ministers. The Agency for Small and Medium Enterprises was exempted from the portfolio of the industry/economy ministry. Executive agency Roads was created from a unit of the regional development ministry. Likewise, the Agency for Financial Intelligence was excluded from the departmental structure of the Ministry of Finance. Some organizations like the Information and Computation Centre at the same ministry were abolished completely. The Committee for Posts and Communications was re-established as State Commission for Communications.

The last organization was abolished just a few years ago with the establishment of Commission for the Regulation of Communications which leads us to a second period of interest – the change of government in 2001. The same absurd game begins again with new subjects of intervention. The wave of reforms included the Energy regulation agency, two of the IDC, the agency for Nuclear Regulation, the

Directorate National Construction Control, etc. The process left a handful of organizations untouched.

If we look in earlier periods we will find the same development. Especially in the beginning in the 1990-s, after the rapid changes of governments, the organizational changes are more than haphazard. Within years ministries are created, merged, and abolished. Portfolios are reshuffled. The year 1992 marks one of the peaks of the process, as it coincides with the first efforts to formalize the structure and tasks of ministries (see Figure 2). During the years 1996-1997, although the ministerial structure is less severely transformed, the lower level of the core executive – agencies and commissions is the target of reform. Examples are numerous and include the abolishment of the Institute of Public Administration, established in 1996 and abolished a few months after that¹². The National Service for Social Assistance is “transformed” into Agency for Social Assistance. The trade sector management configuration is substantially changed.

The analysis so far showed that the change in political leadership is the major driving force behind the organizational changes in the core executive. Numerous, often fundamental, transformations may be attributed to the change in government (or changes within government). In this respect, the first hypothesis (politicians in charge change the organizational structure of the core executive if they have a preference to do so) is confirmed. No other force seems to exercise a comparable influence on the rate and timing of change.

Still, while the broadest contours of the picture are explained with the incentives of politicians in power, there is variance in the data that calls for refinement of the argument. The explanation so far can say nothing about the nature of the changes, it accounts only for the change itself. It is time to contextualize the politicians’ strategies and to test the influence of institutional factors. These include the legislative procedures to create/change/abolish organizations, and the impact of interest groups and the civil servants.

The Impact of Institutional Factors: Do They Matter At all?

The different types of organizations are created, changed, and abolished through different procedures. Some of them are based on a ministerial decree, others

¹² An organization with almost the same functions is re-established in 1999 (Institute of Public Administration and European Integration) with the support of the PHARE program of the EU.

are created by decree of the Council of Ministers, a third group's existence is based on laws passed by the Parliament. The different procedures have increasing complexity, require different mechanisms for drafting, and are subject to increasing number of veto points. According to the historical institutionalist orthodoxy, incorporated in the theoretical model, the difference in procedures should play a considerable role, constraining changes that require complicated procedures to be overcome. Hence, we expect organizations that are established by the force of law to be more stable and insulated from political discretion.

In order to investigate the impact of the legislative procedures for organizational changes two approaches are adopted. Firstly, the different types of organizations are compared in terms of rate of change and transformation. Next to that, a diachronic analysis compares the results from two time-periods – before and after the implementation of the Administration Law. The act formalizes the procedures for changes of the executive institutions and thus, creates a stricter regime, imposing constraints with the codification of rules to be followed in the process.

The inter-departmental councils are the most appropriate class of organizations of the core executive to exemplify the influence of legislative procedures. They can be established by various types of acts, subject to various procedures, while most of the other types of organizations (ministries, state agencies, state committees) are necessarily accepted, changed and abolished by law, thus the sanction of the National Assembly is always required. In the case of the IDC, some are created through a ministerial decision, some are result of a decision of the Council of Ministers, and only one part are established according to a law. The following table presents the result of the research in this regard.

The data does not support any strong conclusion. Organizations created and regulated by a ministerial decree seem to be quite stable. Still the sample includes only 2 such organizations, so any strong opinion will be too bold. Still, a possible explanation of the lack of change of these organizations is that they do not attract considerable political attention in order to be restructured. Simply, the investment in efforts to change the councils would not pay off.

The IDC established by law (total number 10) have often their statutory documents amended. A plausible explanation is that their existence is part of a general policy formalized in a law, so a change in the policy is often translated with amendments of the IDC. Only one of the council from this group is abolished, so we

may conclude that the law guarantees to a large extent that the organization will continue to exist at least formally.

The bulk of the IDC are incepted by decrees of the Council of Ministers and have their functions and structure regulated by the same type of legal instrument. It should be noted that the adoption of specific statutes, other than the founding documents is not still very popular measure, which could explain the relative lack of amendments of the statutory documents. It seems a little bit easier to transform and abolish such IDC. The variance is little, however, and the sample is too small to ground a definite conclusions. Still, it is instructive. Legislative procedures do not appear as a significant factor influencing the pace and nature of changes.

Hence, hypothesis 5 (the impact of legislative procedures) is not confirmed. Other factors, like the political attention focused on the organizations, appear more important and more relevant to the empirical data. Only the IDC were examined but, in general, the pattern seems to be the same for the whole range of government organizations. A quantification of the data for the other type of organizations will allow the better testing of the hypothesis. The first indications do not point in the direction of confirming the hypothesis.

The second approach to examine the same hypothesis – comparing the rate of change prior and after the adoption of the Administration Law helps to clarify the conclusion. The Administration Law formalized and clarifies the procedures for organizational changes. It is expected that the new regime would lead to less amendments of statutory documents, as politicians have less discretion to act and have to comply to the written down procedures, requiring the sanction of the National Assembly (in the case of ministries in particular). The following table summarizes the data arranged to test this hypothesis. The sample includes only the ministries and the adoption and amendments of their statutes. It could be found also in Figure 2. The statutes adopted mostly at the end of 1999 and intended to bring the documents in conformity with the Administration Law itself are not included.

The results are a little bit surprising. The different regime apparently does not matter for the easiness to adopt new statutes. On the contrary, it leads to more amendments as the statutes become more formal and the rules to change them more transparent. The impact of the various legislative procedures may be weaker than the fact that more details are there to change. So, the data from this exercise supports the

conclusion raised by the examination of the rate of change of IDC, regulated by different types of legal instruments.

As a whole, the conclusion to be highlighted is that the legislation procedure has a modest impact. Whether an organization's existence is envisaged in a law matters but only to the extent that, once established it continues to exist. The changes are present, however, and sometimes completely transform the organization. On the other hand, there is no evidence that in the last 12 years, laws prove difficult to amend. Especially organizational changes are seldom an issue of debate in the Parliament. As translated into the Bulgarian overall institutional and cultural environment, the legislative procedures do not constitute a significant factor in assuring organizational stability. The organization established by an act of Parliament has more chances in the found surviving at a later point in time. It could be unrecognizable in its organizational characteristics, though. The procedures definitely matter for the timing between the announced intention to reform and the actual entry into force of the decision. As a result, co-ordination problems arise, involving changes sanctioned by the Council of Ministers and ones voted by Parliament. Sometimes the amendments of statutes are followed within months by abolishment or re-structuring of the unit by a law.

The second aspect of the analysis of the impact of legislative procedures compared a period of relaxed unclear rules with one with explicit standards and formal requirements. The variance is visible and several interpretations are possible. First of all, the difference could be result from a methodological bias. In the time before 1999 it is not quite clear what kind of organizational issues are to be published in the State Gazette, which is the major source of the study. Simply, some minor changes are not reported prior to the regulations of the Administration Law. Still, if we take the variance as valid, it could be explained with the fact, that the more formalized an institution, the more changes are explicitly codified and recorded. Otherwise, the observation that more strict regulations how to change the rules leads to more changes remains paradoxical.

Interest Groups and Bureaucrats

Up to now we examined the legislative procedures as institutional factors supposed to hinder the easiness of organizational changes in the core executive

demonstrated by the Bulgarian case. The data does not confirm the stated hypothesis. To say the least, the impact of legislative procedures is countervailed by other forces in the Bulgarian context.

With the intention to find another class of factors explaining the rate and nature of reforms attention is now turned towards the interplay of actors in the field of administrative reforms. Sometimes the politicians are not the only players on the field. They have to interact with powerful actors, such as the civil service, or organized interest groups. The bureaucrats' interests are different – usually it is assumed that they try to expand their organizations – a point accepted in the model with the refinements presented in Chapter 2. Interest groups' main interest is to protect their channels for influence and communication and to try to increase their influence. The interplay between the three set of actors produces different results in regard to their relative power. A small number of strong interest groups with institutionalized access to government business will freeze to organizational structure, or at least constrain the rate of change. However, if the interest groups are too many and their influence is shifting and dispersed the effect will be the opposite as the government will have to respond to various local pressures. The impact of the existence of strong numerous bureaucrats is more straightforward – they will support the changes if they increase the organization's resources, status, and span of control. These are the expectation derived from the theoretical model and synthesized in the hypotheses 4 and 5 stated in Chapter 2

In order to test the predictions a sectoral approach is employed. A cross-sectoral comparative analysis has the appropriate scale to track the development of a set of highly linked organizations populating one domain and is still close enough to individual developments. The problem with the operationalization of the theoretical framework comes with the lack of reliable sources in order to measure the relative strength of interest parties in Bulgaria in the various sectors. The problem is even greater if single organizations or the system were chosen as units of analysis. Arguable, the economy sector is defined as having an environment of many interest groups with dispersed and unsettled capacity to exercise impact on the government. The various economic domains – tourism, export trade, industry, small and medium size enterprises, import trade, insurance, etc. have representative organization; but there are no dominant ones with stable patterns for impact. The health sector is one of the few that can be reliably classified as a field with strong interest groups. The

organizations of the medical doctors, the pharmacists, and of the dentists are well established, powerful, and only a few. Besides, since the communist regime they play a significant part in the policy-making in the health sector and have protected institutionalized channels for communication, consultation and influence on the decision-making. The foreign affairs ministry is the only candidate for a sector with strong civil servants having a specific *caste* identity and influence as a group. The diplomats are the closest approximation to *corps* in Bulgaria.

These are the results from the survey. The rate of change is measured on the basis of adoption of new statutes (the first figures in the brackets) of the sectoral ministry and their amendments (the second figures):

The empirical information confirms the hypotheses about the influence of other actors. Organized interest groups and civil servants have an impact on both the rate and direction of organizational change. Encapsulating executive institutions with a stable environment of small number of strong interest groups hinders reform to a certain extent and, in general, promotes stability. The Bulgarian health sector case also shows that the trend of change is affected towards devolution of authority towards executive agencies and the proliferation of consultative bodies with a place reserved for the interest groups. If the interest groups are too small, numerous, and unstable, the result in the case of the economy domain in Bulgaria is a high rate of change and organizational diversity. So, interest groups may influence the process of organizational change in both direction and have an impact of the institutional configuration in a sector. No sound conclusions for the influence of civil servants may be drawn. In the case of the Foreign Affairs ministry the fact the ministry kept its integrity for a long time may be attributed to the impact of a well-established diplomatic service.

The theoretical predictions proved adequate to explain some of the patterns and dynamics of the development of the core executive in Bulgaria. Unlike the legislative procedures, the inclusion of other actors in the model enhanced its power and allowed more detailed observations to be accounted for.

Changing the Rules about the Rules: Explaining Higher Order Changes

Two hypotheses were identified in the theoretical chapter that can indirectly support the analytical model. It was argued that the failure trust relationships between the actors, and especially between the politicians, to be established will lead to two

developments: changes in the rules about the rules (higher order changes) and the increasing formalization of contracting.

Up to now all the information presented unmistakably supports the second argument. Really, the one clear development for the 12 years under investigation is the formalization of the process of organizational change in the Bulgarian core executive. The traces of the process are found not only in the increasing length of the statutory documents and the number of the articles they include. These clear indicators point out clearly that the hypothesis is adequate to the data.

Furthermore, the range of issues regulated increases dramatically. In the year 1990 one document regulates all the ministries' tasks, division and responsibilities. In the period 1991-1992 most ministries are already regulated by individual legal instruments. Subsequently, these are amended and more provisions are added. The reform culminating in the passing of the Administration Law increases even more the range of issue and the depth of detail subject to regulation by statutes. The room for discretion for the political heads of organizations gets less and less.

Moreover, the range of public administration organization to receive clear regulation increases. IDC, executive agencies and other bodies are granted statutory documents. The number of employees, the tasks and responsibilities, the internal and external communication channels are described and formalized in legal acts, often passed by the National Assembly, thus receiving formally the highest political attention. The failure of these measures to provide institutional stability is one of the factors reinforcing the process. As it was demonstrated the formalization leads often to more changes (or more traceable changes) instead of promoting stability.

The phase of the administrative reform from the period 1997-2000 is in a way the peak of the process of standardization and formalization. It is a different type of contract between the political parties. The individual statutes had proved unsuccessful to assure institutional continuity and the way out of the vicious circle was found in changing the rules governing how organizations should be designed, created, managed, and transformed. The administrative reform is a higher order change and is produced by the devalorization of institutional commitments. The period after that however fails to change the track. Besides, these rules are subsequently twisted. As a result, a change in the constitutional rules is on the way.

To conclude the chapter it is perhaps necessary to remind that the analytical model used in the thesis rarely refers to external factors to explain institutional

changes. The relations between generations of incumbent politicians, and interest groups and bureaucrats are capable to account for a large part of the individual changes and the overall development of the Bulgarian core executive. Even institutional factors like legislative procedure for change were found to be of minor importance. The important feature of the model is that it conceptualizes the relations between the actors not in single situation of interaction but taking time into account.

Of course factors like the EU, or the spread of New Public Management ideas are important in regard to the institutional development of the Bulgarian core executive. It is, thus, even more surprising that the basic features of the process may be described and interpreted without reference to European integration or the impact of the World Bank and other international institutions. Still, the theoretical model employed is adequate primarily to explain the contours of the picture. If more specific features were to be accounted for, the model inevitably should incorporate more factors, internal as well as external.

CHAPTER 5 CONCLUSIONS

The thesis presented the development of the Bulgarian core executive for the period after the fall of the communist regime until 2002. In the last chapter I will briefly summarize the findings. The broader theoretical implications of the outcomes of the research will be reviewed and finally, some normative considerations will be given.

Based on a survey of the organizational changes of the central administration organizations in Bulgaria, the research identified the major development patterns and offered an explanation, grounded in institutionalist arguments, of the direction of the process of institutional transformation.

Using an actor-based approach derived from a game-theoretic model it was demonstrated that the constant, high-rate changes of the individual organizations are result of the politicians' preferences to alter the institutional arrangements. The political leaders have an incentive to transform the organizations of the core executive as the reform provides them with an opportunity to get control over the staffing and design of the public bodies. Subsequently, the benefits of stable, predictable institutional environment diminish.

In the course of the 12 years surveyed several strategies have been adopted to enhance the trust relationship between generations of political heads of organizations. The formalization of the normative environment is the most evident course of action. However, instead of continuity, it actually promotes more formal changes. It leads to a situation where much of the legislative drafting conducted is connected with the redesign and transformation of minor, as well as important, organizational features. Often, the changes are not yet implemented, when the new wave of restructuring arrives.

The most pronounced endeavor to put an end to this unfortunate spiral of transformation has been the adoption of the Administration Law in 1999. As predicted by the theoretical model a higher order legal change was regarded as necessary. Nevertheless the efforts, the development still seems to follow the well-known path of constant transformation. To address the problem constitutional amendments are on the way. Having in mind the experience from the last 12 years, it is suspicious whether a change in the basic rules of the political game will assure continuity of the Bulgarian core executive organizational structure.

The impact of legislative procedures for the rate of individual changes was found to be dubious. The only factors limiting reform emerged to be interested groups and strong bureaucracy. The lack of traditions of both independent civil service and official channels for consultation with interested parties in Bulgaria probably is a reason for the easiness with which politicians reshuffle the organizational units of the central administration.

Apart from the rate of change itself several conclusion of the research deserve to be repeated. First of all, the organizational landscape at the central level in Bulgaria has become much more standardized over the last 12 years. Still, the countervailing tendency of increasing diversity is also present. A cycle of integrative and aggregative reforms seems to exist. A second observation is related to the rise of interdepartmental councils. Although not very important for policy-making (yet) they proliferate in a few areas. Especially in sectors where interest groups are powerful, IDC spread quickly (coupled with a structure of executive agencies). The rapid adoption of the organizational form of executive agencies also is worth noting. In the framework of the analytical model adopted in the thesis, such a development can be easily explained: politicians do not mind increasing the managerial autonomy of the organizations, as long as they are the ones implementing the change. The relations between politicians and civil servants becomes increasingly a focus of research in the literature on administrative reform in Central and Eastern Europe (Verheijen 2002) and the current research shows that it is really a crucial issue. The distribution of relative power among politicians and other actors appears as the major variable framing the development of the executive branch.

These observations lead to the question: how, if at all, can organizational stability be achieved? The problem is relevant not only to the Bulgarian case. The available comparative studies show that the small-scale changes of the government machinery are quite numerous in established democracies as well (Davis *et al.* 1999). Of course, the issue is problematic only if it is assumed that change is bad for the system of executive power. In the thesis it was assumed that this is the case and that the organizational set-up influences policy outcomes. A considerable degree of institutional stability is necessary for the viability of democracy itself (reference). The costs of organizational restructuring often are higher than the actual benefits from the reform because the primary benefits of institutions are result of the predictability they assure. In this respect, is a constantly changing institution an institution at all? In

other words, is the Bulgarian core executive institutionalized 12 years after the beginning of the regime change?

The answers to these questions require more precise theoretical tools than the ones available now. The current research may serve as a basis and be extended in a few ways. A cross-country perspective could test the conclusions for more general validity. The features of the data collected also allow a greater degree of quantification, hence more rigorous testing of the hypotheses. Efforts to discriminate between “real” and minor organizational changes could pay off in making the micro-foundations of the research firmer.

Even in its present form however, the application of the proposed model of institutional persistence and change provides important insights in the context of the Bulgarian core executive as can be demonstrated by the latest developments of the system. In July 2003 prime-minister Saxe-Coburg-Gotha announced government changes, coupled with structural reform of the central administration: the Food Industry domain is transferred from the Ministry of Economy to the Ministry of Agriculture and Forests; Tourism becomes an executive agency; the Ministry of Transport and Communications becomes Ministry of Transport and Information Technologies. From the data gathered in the research it is visible that the Food Industry was part of the Ministry of Agriculture already in the period 1992-1997. The domain of tourism was a separate ministry, part of a ministry, part of a commission, and a ministerial department for the last 10 years. All the changes occur in sectors identified as vulnerable to transformations by the research. Most importantly, we can see this last round of changes not as a step forwards or backwards, but as part of the never-ending cycle of organizational reforms of the Bulgarian core executive.

APPENDIXES

Table 1. Articles on East and Central Europe in Selected Journals:

	JEPP	Governance	IRAS	PA
1994	0	n.a.	n.a.	0
1995	0	1	n.a.	0
1996	1	0	2	0
1997	1	0	1	1
1998	1	0	0	0
1999	4	0	2	1
2000	1	2	0	0
2001	9	1	1	0
2002	0	1	0	0

JEPP – Journal of European Public Policy (Routledge)

Articles:

Agh (1999)
 Bretherton (2001)
 Brinar and Svetlicic (1999)
 Brusis and Dimitrov (2001)
 Caddy (1997)
 Evans and Evans (2001)
 Ingleby (1996)
 Fink-Hafner (1999)
 Fink-Hafner (1998)
 Grabbe (2001)
 Goetz and Wollmann (2001)
 Goetz (2001)
 Lippert, Umbach and Wessels (2001)
 Meyer-Sahling (2001)
 Stawarska (1999)
 Sturm, Muller and Dieringer (2000)
 Zubek (2001)

Governance – Governance: An International Journal of Policy, Administration and Institutions (Blackwell)

Articles:

Brusis (2002)
 Fabian (1995)
 Goetz and Margetts (2000)
 Jacoby (2001)
 Jacoby (2000)

IRAS – International Review of Administrative Sciences (SAGE)

Articles:

Jenei and Zupko (2001)

Koch and Jovanovic (1997)

Miller, Grodeland and Koshechkina (1999)

Nalezinski and Wojtyczek (1996)

Obolonsky (1999)

Verheijen and Dimitrova (1996)

PA – Public Administration (Blackwell)

Articles:

Dawson (1999)

Elcock (1997)

Table 2. The Trust Game

		Player A	
		Honor the trust	Break
Player B	Honor	<i>10;10</i>	<i>15;0</i>
	Break	<i>0;15</i>	<i>5;5</i>

The former figures relate to Actor A.

Table 3 The Impact of Bureaucrats and Interest Groups

	<i>A few strong interest groups</i>	<i>Many interest groups with dispersed power</i>	<i>A few strong interest groups</i>	<i>Many interest groups with dispersed power</i>
	<i>Strong bureaucracy</i>		<i>No strong bureaucracy</i>	
Rate of change	<i>Lower</i>	<i>Lower</i>	<i>Lower</i>	<i>Higher</i>

Table 4 Organizational Changes of the Interdepartmental Councils

Legal basis	N	Decision-making points	Amendments of statutory document	New statutes adopted	Number of org transformed	Number of org abolished
Law	10	3	16	0	3	1
Ministerial Decree	2	1	0	0	0	0
Council of Ministers Decree	17	2	16	0	6	2

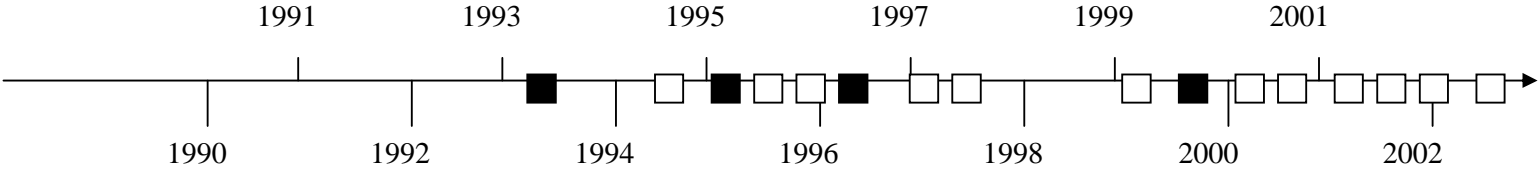
Table 5 Organizational Changes of the Bulgarian Ministries Before and After 1999

	Amendments of statutes per year (1991- 1998)	Number of statutes per year (1999-2002)
Prior to the Law	201 / 8 (25.13)	31 / 8 (3.9)
After the Law	95 / 3 (31.6)	10 / 3 (3.3)

Table 6 The Interplay of Actors

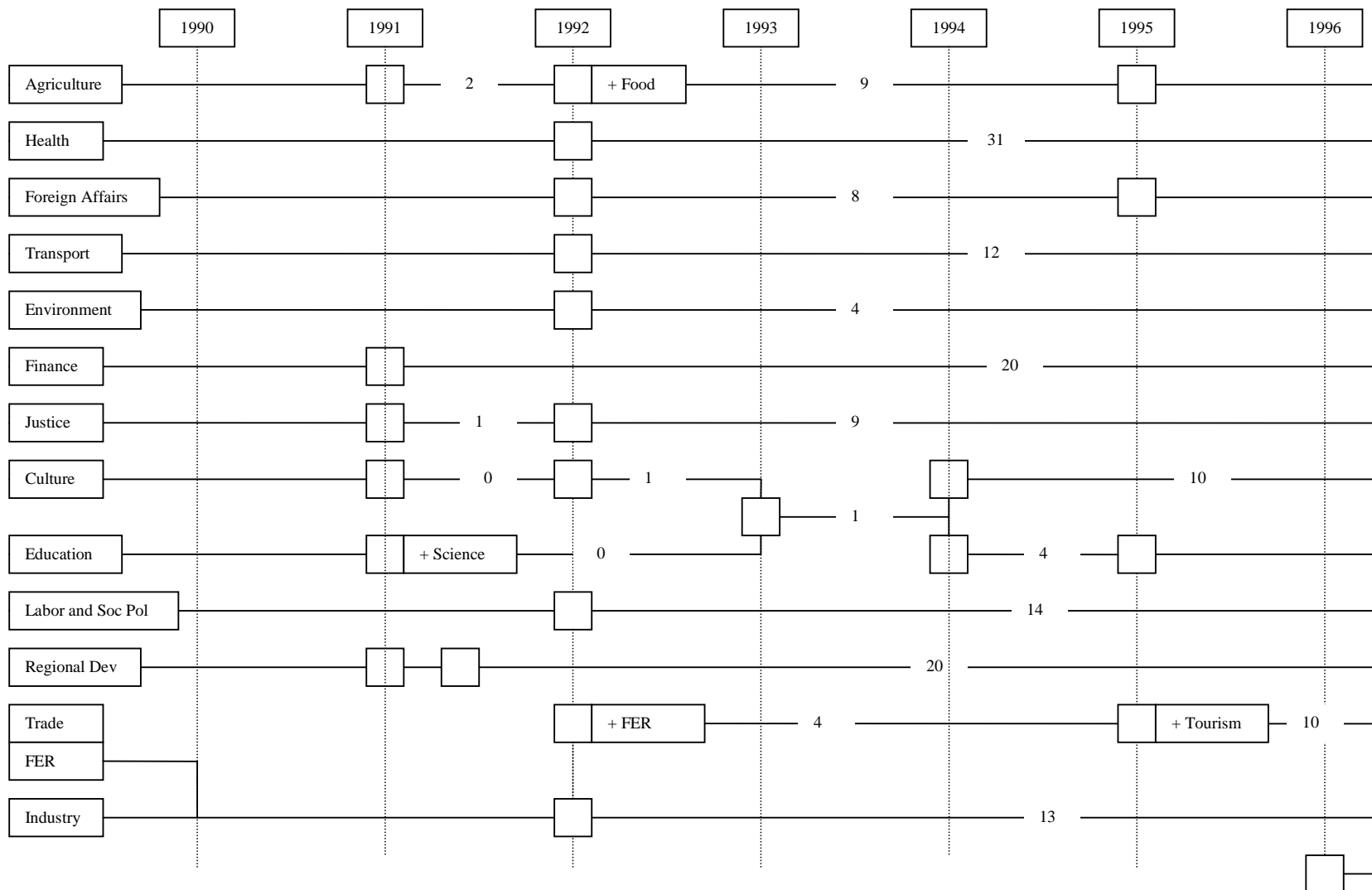
Sector	Rate of change	Organizational set-up of the sector
<i>Economy</i>	Very high (6/45)	Diversity of org-s
<i>Health</i>	Low (2/40)	Executive agencies and IDC
<i>Foreign Affairs</i>	Moderate (5/15)	Highly integrated structure

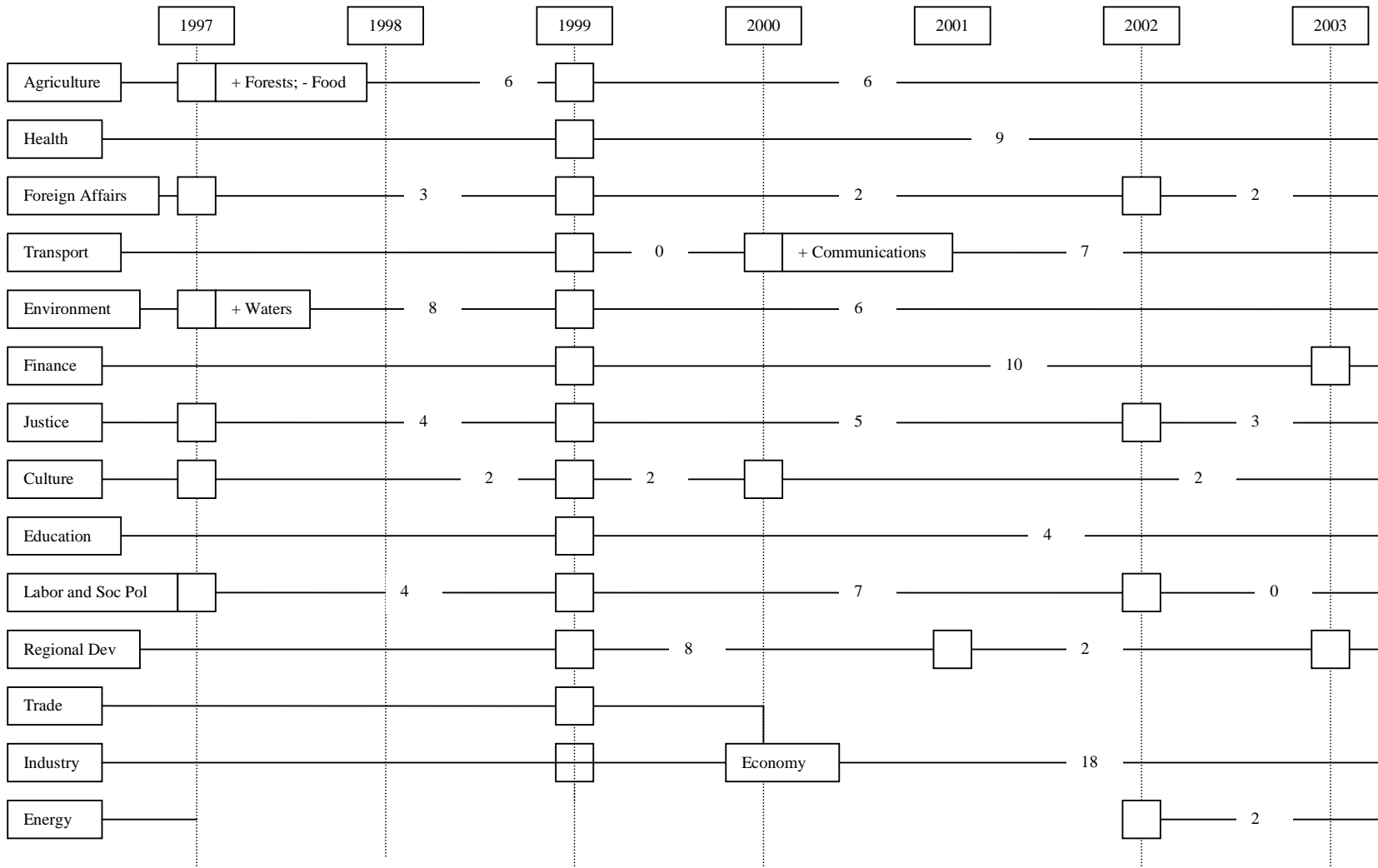
Figure 1 The Organizational Development of the Bulgarian Council of Ministers 1990-2002



Legend:
■ new statutes
□ amendments of statutes

Figure 2 Ministries in the Bulgarian Core Executive 1990-2002





□ - new statutes; figures on the line – amendments of statutes; FER – Foreign Economic Relations; Defense and Internal Affairs not included

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